



August 23, 2022

**Third Report of  
KSV Restructuring Inc. as  
CCAA Monitor of MJardin Group,  
Inc., Growforce Holdings Inc.,  
8586985 Canada Corporation and  
Highgrade MMJ Corporation**

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COURT FILE NO.: CV-22-00682101-00CL

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

BETWEEN:

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

THIRD REPORT OF KSV RESTRUCTURING INC. AS MONITOR

AUGUST 23, 2022

## 1.0 Introduction

1. By orders of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated April 30, 2021, May 3, 2021, and May 14, 2021, PricewaterhouseCoopers Inc. was appointed receiver and manager (in such capacity, the "Bridging Receiver") of Bridging Finance Inc. ("BFI") and certain related entities and investment funds (collectively, "Bridging") pursuant to section 129 of the *Securities Act* (Ontario).

2. Bridging has made various loans to certain subsidiaries of MJardin Group, Inc. (“MJar”, and collectively with its subsidiaries, the “MJar Group”).
3. On March 23, 2022, the Bridging Receiver obtained an Order (the “Receivership Order”) appointing KSV Restructuring Inc. (“KSV”) as the receiver and manager (the “Receiver”) of MJar, excluding certain assets and business as specified in the Receivership Order. The Bridging Receiver sought the Receivership Order to stabilize the MJar Group’s business and, with the assistance of the Receiver, review and consider available options to restructure and/or refinance the MJar Group. Following this review, the Receiver and the Bridging Receiver were of the view that formal restructuring proceedings were necessary to allow MJar and certain of its subsidiaries to pursue and implement an orderly operational and financial restructuring of their business as a going-concern.
4. On June 2, 2022:
  - a) the Bridging Receiver obtained an initial order (the “Initial Order”) under the *Companies’ Creditors Arrangement Act* (Canada) (the “CCAA”), among other things, (i) granting MJar and three of its subsidiaries, Growforce Holdings Inc. (“Growforce”), 8586985 Canada Corporation (“858”) and Highgrade MMJ Corporation (“Highgrade” and, together with MJar, Growforce and 858, the “Debtors”), protection under the CCAA, (ii) appointing KSV as monitor of the Debtors (the “Monitor”), and (iii) approving a debtor-in-possession loan facility (the “DIP Facility”) made available to the Debtors by Bridging, as DIP lender (the “DIP Lender”), in the initial maximum principal amount of \$250,000; and
  - b) the Receiver obtained an order (the “Discharge Order”), among other things, authorizing the discharge of the Receiver effective upon the issuance of a certificate in the form attached to the Discharge Order (the “Discharge Certificate”).<sup>1</sup>
5. On June 9, 2022, the Bridging Receiver obtained an Amended and Restated Initial Order (the “ARIO”) that, among other things, (i) extended the stay of proceedings from June 10, 2022 to September 9, 2022 (the “Stay Period”), (ii) approved the appointment of Howards Capital Corp. as the Chief Restructuring Officer of the Debtors (the “CRO”), (iii) increased the amount of the DIP Facility from \$250,000 to \$2 million, (iv) increased the amount of the Court-ordered charges granted by the Initial Order, and (v) granted a charge as security for certain consideration potentially payable by MJar to the CRO pursuant to the terms of the CRO’s engagement letter. A copy of the ARIO is attached as Appendix “A”.

## 1.1 Purposes of this Report

1. The purposes of this report (the “Report”) are to:
  - a) provide background information on the Debtors and these proceedings;

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<sup>1</sup> The Discharge Certificate was issued and filed with this Court on June 3, 2022.



- b) provide an update on the Debtors' restructuring efforts and the preliminary steps taken by the CRO to improve the performance of the Debtors' business;
  - c) report on the Debtors' cash flow projection for the period August 20, 2022 to November 11, 2022 (the "Cash Flow Forecast");
  - d) discuss the reasons to extend the Stay Period from September 9, 2022 to November 11, 2022;
  - e) summarize the fees and disbursements of the Monitor from the commencement of the CCAA proceedings to July 31, 2022 and the fees and disbursements of and the Monitor's counsel, Goodmans LLP ("Goodmans"), from the commencement of the CCAA proceedings to July 29, 2022.
2. Recommend that the Court issue an order, *inter alia*:
- a) extending the Stay Period to November 11, 2022;
  - b) approving the fees and disbursements of the Monitor and Goodmans for the periods referenced in the fee affidavits; and
  - c) approving this Report and the Monitor's activities described herein.

## **1.2 Restrictions**

1. In preparing this Report, the Monitor has relied upon the unaudited financial information of the Debtors, the books and records of the Debtors, discussions with the Debtors' management, discussions with the Bridging Receiver and its counsel and discussions with the CRO.
2. The Monitor has not audited, or otherwise attempted to verify, the accuracy or completeness of the financial information relied on to prepare this 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 diligence.
3. An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon the Debtors' assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Monitor expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.

## **1.3 Currency**

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

## 2.0 Background

1. MJar is a corporation incorporated under the laws of the Province of Ontario. Prior to being delisted shortly following the granting of the Receivership Order and a cease trade order being issued by the Ontario Securities Commission on May 6, 2022, MJar's shares were traded publicly since 2018 on the Canadian Securities Exchange under the ticker symbol "MJAR".
2. The MJar Group is primarily a cannabis cultivation company. MJar is the ultimate parent company of the MJar Group, which consists of subsidiaries based out of Canada and the U.S.
3. In Canada, the MJar Group engages in the production and sale of cannabis through its wholly owned subsidiary Growforce, which owns 100% and 75.51% of the outstanding shares of 858 and Highgrade, respectively. Each of 858 and Highgrade are licensed producers of cannabis in accordance with the *Cannabis Act*, S.C. 2018, c. 16 and its associated regulations ("Cannabis Act") and operate the core business of the MJar Group. The Monitor understands that Growforce and MJar are holding companies that have never conducted active business operations.
4. Highgrade owns and operates a cannabis production facility in Dunnville, Ontario (the "GRO Facility"). 858 primarily operates from a leased cannabis production facility located in Brampton, Ontario (the "WILL Facility"). The WILL Facility is used to process and sell cannabis produced at both the GRO Facility and the WILL Facility. Cannabis is neither processed nor sold from the GRO Facility.
5. BFI, as agent, and certain related investment funds (collectively, the "Lenders") are secured lenders to Growforce, as borrower, and each of MJar, Highgrade and 858, as guarantors. The Lenders are also secured lenders to certain of MJar's U.S. subsidiaries. The obligations of the various MJar Group entities to the Lenders are secured by substantially all of the Debtors' property pursuant to various security documents. According to the books and records of Bridging as at March 22, 2022, being the date of the receivership application, the total indebtedness owing by the MJar Group to the Lenders was approximately \$178 million. Interest and costs continue to accrue.
6. Additional background information about the Debtors, the receivership proceedings and the CCAA proceedings is available on the Monitor's website at <https://www.ksvadvisory.com/experience/case/mjardin-group-inc>.

## 3.0 The Debtors' Restructuring Initiatives

1. Pursuant to the ARIO, the CRO was appointed to lead an operational restructuring of the Debtors' business. Since its appointment, the CRO has been assessing the Debtors' business and has implemented several significant changes to the business.
2. The CRO has taken the following initiatives:
  - a) replaced all of the Debtors' senior management with individuals with cannabis restructuring experience;

- b) improved product quality and cannabis yields. Early results indicate that tetrahydrocannabinol levels (more commonly referred to as “THC”) in the Debtors’ cannabis flower have increased significantly from historical averages;
  - c) transitioned a portion of the Debtors’ business from the retail to wholesale market, which has enabled the Debtors to better manage inventory levels;
  - d) implemented cost saving programs to reduce labour and shipping costs; and
  - e) pursuing a license to export cannabis and related products into international markets, where margins are higher than in the domestic market.
3. The CRO continues to assess the Debtors’ business as operational improvements are implemented and expects to be able to make a recommendation to the Bridging Receiver and the Monitor by the end of October 2022 as to whether a viable going concern business can emerge from the CCAA proceedings. To the extent the CRO recommends to the Bridging Receiver and the Monitor that a viable going concern business can emerge from the CCAA proceedings, the Monitor expects the parties will engage in discussions regarding the terms of a potential transaction.

### **3.1 Green Boyz Disclaimer**

1. Since the commencement of the CCAA proceedings, the Debtors have disclaimed six agreements, including a Strategic Supply Agreement dated March 14, 2022 entered into between (i) Canndoc Ltd. (“Canndoc”) and Green Boyz Ltd. (“Green Boyz”); and (ii) MJar (the “Supply Agreement”). The Monitor understands that Green Boyz has a business partnership with Canndoc's parent company, Intercure.
2. Pursuant to the Supply Agreement, MJar agreed to supply Canndoc with certain volumes of cannabis raw material for importing into Israel. The Supply Agreement granted Canndoc an exclusive license to import MJar’s cannabis products into Israel for a period of 7.5 years.
3. On July 21, 2022, the Debtors, with the approval of the Monitor, issued a notice of its intention to disclaim the Supply Agreement, which disclaimer would be effective on August 20, 2022 if not disputed by Canndoc or Green Boyz in accordance with the CCAA.
4. On August 5, 2022, Green Boyz delivered a motion record (which, to the knowledge of the Monitor, has not been filed with the Court) seeking an order, among other things: (i) declaring that MJar is not entitled to disclaim the Supply Agreement; or (ii) in the alternative, declaring that the exclusivity provisions contained in the Supply Agreement continue to apply notwithstanding any disclaimer.
5. The Monitor understands that counsel to the CRO is in discussions with counsel to Green Boyz in an attempt to consensually resolve the matter. The Monitor further understands that the Debtors expect that the disclaimer issue will need to be determined by the Court if they are unable to consensually resolve the matter with Green Boyz in the near term.

### **3.2 Other CCAA Matters**

1. On August 10, 2022, the Monitor obtained an order, among other things:
  - a) authorizing and directing the Monitor to distribute a dividend (the “AMI Dividend”) in the amount of \$971,309 received from AtlantiCann Medical Inc., plus interest accrued thereon, to the Bridging Receiver to repay advances it made to the Receiver under super-priority Receiver’s Certificates during the receivership proceedings; and
  - b) amending the ARIO to increase the value of redundant or non-material assets that the Debtors have the right to dispose of to a maximum of \$500,000 in any one transaction, or \$3,000,000 in the aggregate.
2. Following the issuance of the order, the funds received on account of the AMI Dividend together with accrued interest thereon were distributed to the Bridging Receiver.

### **4.0 Buddy Boy Brands LLC**

1. In addition to the Debtors’ business, the MJar Group has unsecured promissory notes (the “Unsecured Notes”) with a face value of approximately \$16.2 million held by Buddy Boy Brands, LLC, a U.S. Subsidiary, representing amounts advanced to 3B Ventures LLC and TwoG Ventures LLC d/b/a Buddy Boy Brands (“BBB”). BBB is a cannabis producer which also operates seven retail cannabis stores in Colorado, USA.
2. Due to a downturn in the Colorado cannabis market, BBB has ceased operations. BBB is attempting to sell its assets, including its excess cannabis and retail location licenses. The Monitor and the Bridging Receiver are corresponding regularly with management of BBB on the status of its liquidation process.

### **5.0 Cash Flow Forecast**

1. The Debtors prepared the Cash Flow Forecast for the period August 13, 2022 to November 11, 2022 (the “Period”). The Cash Flow Forecast and the Debtors’ statutory report on the cash flow prepared pursuant to Section 10(2)(b) of the CCAA are attached as Appendix “B”.
2. The Debtors have borrowed \$1.65 million under the DIP Facility since the commencement of the CCAA proceedings. The Cash Flow Forecast reflects that the Debtors will need to borrow an additional \$225,000 during the Period.
3. The Cash Flow Forecast reflects that the Debtors are projected to have sufficient liquidity under the DIP Facility to operate in the normal course during the Period, including to fund payroll and other operating expenses.
4. Based on the Monitor’s review of the Cash Flow Forecast, the assumptions appear reasonable. The Monitor’s statutory report on the Cash Flow Forecast is attached as Appendix “C”.

## 6.0 Stay Extension

1. The Bridging Receiver (the applicant in these CCAA proceedings) is seeking an approximately two-month extension of the Stay Period for the Debtors from September 9, 2022, to November 11, 2022.
2. The Monitor is supportive of this request for the following reasons:
  - a) in the Monitor's view, the Debtors are acting in good faith and with due diligence, with a particular focus on implementing and assessing the Debtors' operational restructuring;
  - b) the proposed extension of the Stay Period will provide additional time for the CRO to continue the operational restructuring of the Debtors' business and assess whether it can emerge as a viable going concern;
  - c) the Cash Flow Forecast reflects that the Debtors have sufficient liquidity to fund their business during the extended Stay Period;
  - d) no creditor will be materially prejudiced if the extension is granted; and
  - e) as of the date of this Report, the Monitor is not aware of any party opposed to an extension of the Stay Period.

## 7.0 Professional Fees

1. The fees (excluding disbursements and HST) (i) of the Monitor from the commencement of the CCAA proceedings to July 31, 2022 total approximately \$184,685.25, and (ii) of Goodmans from the commencement of the CCAA proceedings to July 29, 2022 to approximately \$180,372.
2. The average hourly rates for KSV and Goodmans for the referenced billing periods were \$475.69 and \$716.90, respectively.
3. Detailed invoices in respect of the fees and disbursements of the Monitor and Goodmans<sup>2</sup> are provided in appendices to the affidavits (the "Fee Affidavits") filed by KSV and Goodmans attached as Appendices "D" and "E", respectively.
4. As set out in the invoices attached to the Fee Affidavits, the fees of the Monitor and Goodmans for the referenced billing periods include those incurred to perform the following activities:
  - a) corresponding regularly with the Debtors and the CRO regarding various matters in these proceedings;
  - b) monitoring the business and operations of Debtors;
  - c) assisting the Debtors to prepare the weekly reporting required in connection with the DIP Facility;

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<sup>2</sup> Portions of Goodmans' invoices have been redacted to address matters of confidentiality or privilege.

- d) assisting the Debtors to prepare updated cashflow forecasts;
  - e) assisting the Debtors in dealings with suppliers to procure goods and services, and corresponding with certain of the Debtors' suppliers;
  - f) supporting the CRO with operational matters, including employee related matters, reviewing and considering proposed contract disclaimers and dealings with the Debtors' landlords and other contractual counterparties;
  - g) assisting the Debtors in their dealings with the CRA;
  - h) preparing the Monitor's reports to Court, including this Report, and, with the assistance of its counsel, related Court materials, including the motion seeking the order granted by the Court on August 10, 2022;
  - i) conducting a security review in respect of the Lenders' security over the Debtors' assets;
  - j) reviewing and considering matters pertaining to the Debtors' director and officer insurance policies;
  - k) assisting the Bridging Receiver in its dealings with the non-Debtor subsidiaries of MJar; and
  - l) corresponding with the Bridging Receiver.
5. The Monitor is of the view that the hourly rates charged by Goodmans are consistent with the rates charged by large corporate law firms practicing in the area of corporate insolvency and restructuring in the Toronto market, that Goodmans' billings reflect work performed consistent with the Monitor's instructions, and that the overall fees charged by Goodmans and the Monitor are reasonable and appropriate in the circumstances.

## 8.0 Conclusion and Recommendation

1. For the reasons stated herein, the Monitor respectfully recommends that this Court make an order granting the relief detailed in Section 1.1(1)(2) of this Report.

\* \* \*

All of which is respectfully submitted,



**KSV RESTRUCTURING INC.  
IN ITS CAPACITY AS MONITOR OF  
MJARDIN GROUP, INC., GROWFORCE HOLDINGS INC.,  
8586985 CANADA CORPORATION AND HIGHGRADE MMJ CORPORATION  
AND NOT IN ITS PERSONAL CAPACITY**

## **Appendix “A”**





Court File No. CV-22-00682101-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE CHIEF

)

THURSDAY, THE 2<sup>ND</sup>

JUSTICE MORAWETZ

)

DAY OF JUNE, 2022

)

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

BETWEEN:

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

AMENDED AND RESTATED INITIAL ORDER

**THIS MOTION**, made by PricewaterhouseCoopers Inc. ("PwC"), in its capacity as court-appointed receiver and manager (in such capacity, the "**Bridging Receiver**") of Bridging Finance Inc. ("BFI") and certain related entities and investment funds (collectively, "**Bridging**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an Amended and Restated Initial Order 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**”) was heard this day via videoconference.

ON READING the affidavit of Graham Page sworn June 1, 2022 and the Exhibits thereto (the “**Page Affidavit**”), the First Report of KSV Restructuring Inc. (“**KSV**”) as receiver and manager of MJar and the Report of KSV as proposed Monitor dated June 1, 2022 (the “**KSV Report**”), the First Report of KSV in its capacity as court-appointed monitor of the Respondents (the “**Monitor**”) dated June 7, 2022, the Initial Order granted by this Court on June 2, 2022 (the “**Initial Order**”) and such other materials filed in respect of this Motion, and on hearing the submissions of counsel for the Bridging Receiver, counsel for the Monitor, and such other counsel as were present, no one else appearing although duly served as appears from the affidavits of service of Adam Driedger sworn June 2, 2022 and June 7, 2022, filed.

#### **SERVICE**

1. **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.

#### **CAPITALIZED TERMS**

2. **THIS COURT ORDERS** that unless otherwise indicated or defined herein, capitalized terms have the meaning given to them in the Page Affidavit.

#### **APPLICATION**

3. **THIS COURT ORDERS AND DECLARES** that each Respondent is a company to which the CCAA applies.

#### **PLAN OF ARRANGEMENT**

4. **THIS COURT ORDERS** that the Bridging Receiver and the Respondents shall have the authority to file and may, subject to further Order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

## POSSESSION OF PROPERTY AND OPERATIONS

5. **THIS COURT ORDERS** that the Respondents shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Respondents shall continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property. The Respondents are authorized and empowered to continue to retain and employ the employees, consultants, contractors, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order, in each case in consultation with the Monitor and the Bridging Receiver.

6. **THIS COURT ORDERS** that the Respondents shall be entitled to continue to utilize the central cash management system currently in place as described in the Page Affidavit or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Respondents of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Respondents, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System on or after the date of this Order.

7. **THIS COURT ORDERS** that the Respondents shall be entitled to continue to use the corporate credit cards (the “**Credit Cards**”) in place with Alterna Savings and Credit Union Ltd. (“**Alterna**”) and shall make full repayment of all amounts outstanding thereunder, including with respect to any pre-filing charges.



8. **THIS COURT ORDERS** that the Respondents shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and employee expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Respondents in respect of these proceedings at their standard rates and charges;
- (c) the fees and disbursements of the Receiver and its counsel at their standard rates and charges;
- (d) any taxes, duties or other payments required under the Controlled Substances Legislation (as defined below); and
- (e) with the consent of the Monitor and the Bridging Receiver, amounts owing for goods or services supplied to the Respondents prior to the Initial Order if, in the opinion of the Respondents, such payment is necessary or desirable to avoid disruption to the operations of the Business or the Respondents during the CCAA proceedings.

9. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, and subject to the DIP Credit Agreement and the other DIP Documents (each as defined below), the Respondents shall be entitled but not required to pay all reasonable expenses incurred by the Respondents in carrying on the Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business, including, without limitation, payments on account of insurance (including directors and officers insurance and financing payments in relation to directors and officers insurance), maintenance and security services; and

- (b) payment for goods or services actually supplied to the Respondents following the date of this Order or payments to obtain the release of goods or delivery of services contracted for prior to the date of this Order.

10. **THIS COURT ORDERS** that the Respondents shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;
- (b) all goods, services, excise, or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Respondents in connection with the sale of goods and services by the Respondents, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Respondents.

11. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Respondents shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be or has been negotiated between the Respondents and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, monthly on the first day of each month, in advance (but not in arrears), or at such other time intervals and dates as may be agreed to between the Respondents, with the consent of the Monitor and the Bridging



Receiver, and the applicable landlord. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

12. **THIS COURT ORDERS** that, except as specifically permitted herein, the Respondents are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Respondents to any of their creditors as of this date, other than in respect of scheduled payments to Alterna in respect of the Credit Cards; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

### **RESTRUCTURING**

13. **THIS COURT ORDERS** that the Respondents shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the DIP Documents, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their business or operations and to dispose of redundant or non-material assets not exceeding \$250,000 in any one transaction or \$1,000,000 in the aggregate;
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate;
- (c) disclaim such other arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the Respondents deem appropriate, in accordance with Section 32 of the CCAA; and
- (d) pursue all avenues of refinancing or restructuring their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or restructuring,

all of the foregoing to permit the Respondents to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

14. **THIS COURT ORDERS** that the Respondents shall provide each of the relevant landlords with notice of the relevant Respondent's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes such Respondent's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the relevant Respondent, or by further Order of this Court upon application by the Monitor on at least two (2) days notice to such landlord and any such secured creditors. If a Respondent disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to such Respondent's claim to the fixtures in dispute.

15. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may, subject to applicable law, show the affected leased premises to prospective tenants during normal business hours, on giving the relevant Respondent and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the applicable Respondent in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

#### **NO PROCEEDINGS AGAINST THE RESPONDENTS OR THE PROPERTY**

16. **THIS COURT ORDERS** that until and including September 9, 2022, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Respondents or the Monitor, or affecting the Business or the Property, except with the written consent of the Respondents and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Respondents or affecting the



Business or the Property are hereby stayed and suspended pending further Order of this Court or the written consent of the Respondents and the Monitor.

### **NO EXERCISE OF RIGHTS OR REMEDIES**

17. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Respondents or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Respondents and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Respondents to carry on any business which the Respondents are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

### **NO INTERFERENCE WITH RIGHTS**

18. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence or permit in favour of or held by any of the Respondents, except with the written consent of the applicable Respondent and the Monitor, or leave of this Court.

### **CONTINUATION OF SERVICES**

19. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements or arrangements with any of the Respondents or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or any of the Respondents, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by any of the Respondents or exercising any other remedy provided under the agreements or arrangements, and that each of the Respondents shall be entitled to the continued use of its current premises,

telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the applicable Respondent in accordance with normal payment practices of the applicable Respondent or such other practices as may be agreed upon by the supplier or service provider and the applicable Respondent and the Monitor, or as may be ordered by this Court.

### **NON-DEROGATION OF RIGHTS**

20. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Respondents. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

21. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the current or future directors or officers of the Respondents with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Respondents whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a Plan, if one is filed, is sanctioned by this Court or is refused by the creditors of the Respondents or this Court.

### **DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE**

22. **THIS COURT ORDERS** that the Respondents shall indemnify their current and future directors and officers against obligations and liabilities that they may incur as directors or officers of the Respondents after the commencement of the within proceedings to the extent such obligations and liabilities relate to the period on or after the date of this Order, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of such director's or officer's gross negligence or wilful misconduct.



23. **THIS COURT ORDERS** that the current and future directors and officers of the Respondents shall be entitled to the benefit of and are hereby granted a charge (the “**Directors’ Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$785,000, unless permitted by further Order of this Court, as security for the indemnity provided in paragraph 22 of this Order. The Directors’ Charge shall have the priority set out in paragraphs 44 and 46 herein.

24. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors’ Charge, and (b) the Respondents’ current and future directors and officers shall only be entitled to the benefit of the Directors’ Charge to the extent that they do not have coverage under any directors’ and officers’ insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 22 of this Order.

#### **APPROVAL OF CHIEF RESTRUCTURING OFFICER ENGAGEMENT**

25. **THIS COURT ORDERS** that:

- (a) the engagement agreement among MJar, Howards Capital Corp. (“**HCC**”) and BFI pursuant to which MJar has engaged HCC to act as chief restructuring officer of the Respondents (the “**CRO**”), a redacted copy of which is attached as Exhibit “O” to the Page Affidavit (the “**CRO Engagement Letter**”), and the appointment of the CRO pursuant to the terms thereof, is hereby approved, including, without limitation, payment by MJar of the fees and expenses contemplated thereby (the “**CRO Fees**”), including the Consultant Expenses and the Additional Consideration (each as defined in the CRO Engagement Letter) stipulated therein;
- (b) the CRO shall be responsible for performing its functions and obligations as set out in the CRO Engagement Letter for the benefit of the Respondents and shall provide timely updates to the Monitor and the Bridging Receiver in respect of such functions and obligations;
- (c) unless otherwise agreed to in writing, neither the CRO, Howard Steinberg (“**Steinberg**”), nor any other Person engaged by HCC to provide services to the

Respondents pursuant to the CRO Engagement Letter (each, a “Consultant”) shall be or be deemed to be a director, *de facto* director, or employee of any of the Respondents;

- (d) neither the CRO, Steinberg, nor any Consultant shall, as a result of the performance of their obligations and duties under the CRO Engagement Letter in accordance with the terms of the CRO Engagement Letter, be deemed to be in Possession (as defined below) of any of the Property within the meaning of any Environmental Legislation (as defined below) or the Controlled Substances Legislation; provided, however, that if the CRO, Steinberg, or any Consultant is nevertheless found to be in Possession of any such Property, then the CRO, Steinberg and/or such Consultant, as the case may be, shall be entitled to the benefits and protections in relation to the Respondents and such Property as are provided to a monitor under Section 11.8(3) of the CCAA; provided further, however, that nothing in this sub-paragraph 25(d) shall exempt the CRO, Steinberg, and/or any Consultant from any duty to report or make disclosure imposed by a law incorporated by reference in Section 11.8(4) of the CCAA;
- (e) neither the CRO, Steinberg, nor any Consultant shall have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and after the date of this Order except to the extent such losses, claims, damages or liabilities result from the gross negligence or willful misconduct on the part of the CRO, Steinberg, and/or any Consultant;
- (f) no action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the CRO, Steinberg, and/or any Consultant, and all rights and remedies of any Person against or in respect of the CRO, Steinberg, and/or any Consultant are hereby stayed and suspended, except with the written consent of the CRO or with leave of this court on notice to the Respondents, the Monitor, the Bridging Receiver, and the CRO. Notice of any such motion seeking leave of this Court shall be served upon the Respondents, the Monitor, the Bridging Receiver, and the CRO at least seven (7) days prior to the return date of any such motion for leave;



- (g) the CRO Fees shall not be compromised pursuant to any Plan, any proposal under the *Bankruptcy and Insolvency Act* (Canada) (the “BIA”), or any other restructuring and no such Plan, proposal or restructuring shall be approved that does not provide for the payment in full of all amounts due to the CRO pursuant to the terms of the CRO Engagement Letter;
- (h) the CRO and Steinberg shall be entitled to the benefit of the indemnity provided in paragraph 22 hereof and the Directors’ Charge; and
- (i) the CRO shall be entitled to the benefit of and is hereby granted a charge (the “CRO Additional Consideration Charge”) on the Property (but excluding any Property that is an equity interest in, or claim against, any MJar Subsidiary (as defined below) that is not a Respondent, and any Property that any Respondent may receive or have an interest in or entitlement to by reason of being the direct or indirect equity holder or a creditor of any MJar Subsidiary that is not a Respondent) as security for the Additional Consideration payable by MJar to the CRO pursuant to the CRO Engagement Letter in the event of a Third-Party Sale (as defined in the CRO Engagement Letter). The CRO Additional Consideration Charge shall have the priority set out in paragraphs 44 and 46 hereof.

26. **THIS COURT ORDERS** that neither the CRO, Steinberg, nor any Consultant shall incur any liability or obligation as a result of the appointment of the CRO or the carrying out by it of the provisions of this Order or the CRO Engagement Letter, including under any Controlled Substances Legislation, save and except for any gross negligence or wilful misconduct on the part of the CRO, Steinberg, and/or any Consultant.

#### **APPOINTMENT OF MONITOR**

27. **THIS COURT ORDERS** that KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Respondents with the powers and obligations set out in the CCAA or set forth herein and that the Respondents and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by any of the Respondents pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor

with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

28. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Respondents' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Respondents, to the extent required by the Respondents, in their dissemination to the Bridging Receiver and counsel, as applicable, of financial and other information as agreed to between the Respondents and the Bridging Receiver (including for greater certainty, in its capacity as receiver and manager of the DIP Lender (as defined below)) and consented to by the Monitor;
- (d) advise the Respondents in their preparation of the Respondents' cash flow statements and any other reporting required by the DIP Lender pursuant to the DIP Credit Agreement, which information shall be reviewed with the Monitor and delivered to the Bridging Receiver as receiver and manager of the DIP Lender and its financial advisors and/or counsel, as applicable, on a periodic basis pursuant to subparagraph 28(c) above;
- (e) advise the Respondents in the development of any Plan and any amendments to such Plan, or in respect of any other restructuring transaction involving the Respondents that may be pursued by the Bridging Receiver or the Respondents (collectively, with a Plan, a "**Restructuring Transaction**");
- (f) assist the Respondents, to the extent required by the Respondents, with the holding and administering of any meetings for voting on any Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the



Respondents, to the extent that is necessary to adequately assess the Respondents' business and financial affairs or to perform its duties arising under this Order;

- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (i) apply to this Court for any orders necessary or advisable in connection with these CCAA proceedings and the Respondents' restructuring efforts, including, without limitation, seeking any required approvals in connection with a Restructuring Transaction; and
- (j) perform such other duties as are required by this Order or by this Court from time to time.

29. **THIS COURT ORDERS** that the Monitor shall not occupy or take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of (or be deemed to take Possession of), or exercise (or be deemed to have exercised) any rights of control over any activities in respect of, the Property, or any assets, properties or undertakings of any of the Respondents' direct or indirect subsidiaries or affiliates, including any joint venture entities (collectively, the "**MJar Subsidiaries**" and each, an "**MJar Subsidiary**"), for which a permit or license is issued or required pursuant to any federal, provincial or other law respecting, among other things, the cultivation, processing, sale and/or possession of cannabis or cannabis-related products in Canada or the United States, including, without limitation, under the *Cannabis Act*, S.C. 2018, c. 16, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, the *Excise Act*, 2001, S.C. 2002, c. 22, the *Cannabis Control Act*, 2017, S.O. 2017, c. 26, Sched. 1, the *Ontario Cannabis Retail Corporation Act*, 2017, S.O. 2017, c. 26, the *Cannabis License Act*, 2018, S.O. 2018, c. 12, or other such applicable federal or provincial legislation (collectively, the "**Controlled Substances Legislation**") and shall take no part whatsoever in the management or supervision of the management of the Business or any business of any of the MJar Subsidiaries, and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained Possession of the Business or Property, or any part thereof, within the meaning of any Controlled Substances Legislation, or otherwise, and nothing in this Order shall be construed as resulting in

the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

30. **THIS COURT ORDERS** that nothing herein contained shall require the DIP Lender or the Bridging Receiver to take Possession of any of the Property or the property of any MJar Subsidiaries that is or may be: (i) subject to any Controlled Substances Legislation; or (ii) environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any Environmental Legislation.

31. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to take Possession of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

32. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Respondents and the Bridging Receiver (including as receiver and manager of the DIP Lender) with information provided by the Respondents in response to reasonable requests for information made in writing by such creditors addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Respondents is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Respondents may agree.



33. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor any its employees and representatives acting in such capacities shall incur any liability or obligation as a result of the appointment of the Monitor or the carrying out by it of the provisions of this Order, including under any Controlled Substances Legislation, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

34. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the CRO shall be paid their reasonable fees and disbursements (including pre-filing fees and disbursements), in each case at their standard rates and charges or as set out in the CRO Engagement Letter, by the Respondents as part of the costs of these proceedings. The Respondents are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, and the CRO in accordance with the payment terms agreed between the Respondents and such parties.

35. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

36. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the CRO (in the case of the CRO, up to a maximum of \$160,000 and not in respect of the obligation to pay any Additional Consideration) shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$300,000, unless permitted by further Order of this Court, as security for their professional fees and disbursements incurred both before and after the making of this Order at their standard rates and charges or as set out in the CRO Engagement Letter. The Administration Charge shall have the priority set out in paragraphs 44 and 46 hereof. For the avoidance of doubt, the Administration Charge shall not secure the obligation to pay the Additional Consideration to the CRO.

#### **DIP FINANCING**

37. **THIS COURT ORDERS** that the Respondents are hereby authorized and empowered to obtain and borrow under a credit facility from BFI, as agent on behalf of an affiliate to be named

(the “**DIP Lender**”), in order to finance the Respondents’ working capital requirements, the costs of these proceedings and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$2,000,000 (plus accrued and unpaid interest, fees and reimbursable expenses) unless permitted by further Order of this Court.

38. **THIS COURT ORDERS THAT** such credit facility shall be on the terms and subject to the conditions set forth in the term sheet between the Respondents and the DIP Lender (the “**DIP Credit Agreement**”), attached as Exhibit “M” to the Page Affidavit.

39. **THIS COURT ORDERS** that the Respondents are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the “**DIP Documents**”), as are contemplated by the DIP Credit Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Respondents are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Credit Agreement and the DIP Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

40. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property, which DIP Lender’s Charge shall not exceed the aggregate amount owed to the DIP Lender under the DIP Credit Agreement and the other DIP Documents. The DIP Lender’s Charge shall have the priority set out in paragraphs 44 to 46 hereof.

41. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge or any of the DIP Documents;
- (b) upon the occurrence of an event of default under the DIP Credit Agreement, the other DIP Documents, or the DIP Lender’s Charge, the DIP Lender, upon five days’ written notice to the Respondents and the Monitor, may exercise any and all of its rights and remedies against the Respondents or the Property under or pursuant to the DIP Credit



Agreement, the other DIP Documents, and the DIP Lender's Charge, including, without limitation, to cease making advances to the Respondents and set off and/or consolidate any amounts owing by the DIP Lender to the Respondents against the obligations of the Respondents to the DIP Lender under the DIP Credit Agreement, the other DIP Documents, and the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager, or interim receiver, or for a bankruptcy order against any of the Respondents and for the appointment of a trustee in bankruptcy of any of the Respondents; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Respondents or the Property.

42. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any Plan filed in these CCAA proceedings in respect of the Respondents, or any proposal filed under the BIA in respect of the Respondents with respect to any advances made under the DIP Credit Agreement and the other DIP Documents.

43. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the DIP Lender under this Order, any other Order of the Court (whether made pursuant to these proceedings or otherwise), or at law, the DIP Lender shall incur no liability or obligation as a result of carrying out the provisions of this Order, including under any Controlled Substances Legislation, save and except for any gross negligence or willful misconduct on its part.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THE RECEIVERSHIP ORDER AND THIS ORDER**

44. **THIS COURT ORDERS** that the priorities of the Receiver's Charge (as defined in the Receivership Order), the Administration Charge, the Receiver's Borrowings Charge (as defined in the Receivership Order), the DIP Lender's Charge, the Directors' Charge and the CRO Additional Consideration Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First – Receiver's Charge;

Second – Administration Charge (to the maximum amount of \$300,000);

Third – Receiver's Borrowings Charge (to the maximum amount of \$2,548,266.24, plus accrued and unpaid interest, fees and reimbursable expenses);

Fourth – DIP Lender's Charge (to the maximum amount of \$2,000,000, plus accrued and unpaid interest, fees and reimbursable expenses);

Fifth – Directors' Charge (to the maximum amount of \$785,000); and

Sixth – CRO Additional Consideration Charge.

45. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

46. **THIS COURT ORDERS** that each of the Charges shall, subject to paragraph 25(i), constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, deemed trusts, liens, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, notwithstanding the order of perfection or attachment.

47. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Respondents shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Respondents also obtain the prior written consent of the Monitor, the Bridging Receiver, and the beneficiaries of the applicable Charge(s), or further Order of this Court.

48. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy or receivership order(s) issued pursuant to the BIA or other



applicable statutes, or any bankruptcy or receivership order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Respondents, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Credit Agreement or the DIP Documents shall create or be deemed to constitute a breach by the Respondents of any Agreement to which any of them are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Respondents entering into the DIP Credit Agreement, the creation of the Charges, or the execution, delivery or performance of the DIP Documents; and
- (c) the payments made by the Respondents pursuant to this Order, the DIP Credit Agreement or the DIP Documents and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

49. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Respondent’s interest in such real property leases.

#### **SERVICE AND NOTICE**

50. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in *The Globe and Mail* (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Respondents of more than \$1,000, and (C) prepare a list showing the

names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claims, names and addresses of individuals who are creditors publicly available unless otherwise ordered by the Court.

51. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the “Guide”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at: <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established by the Monitor in accordance with the Guide with the following URL: <https://www.ksvadvisory.com/experience/case/mjardin-group-inc>.

52. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Respondents and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, and any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile or other electronic transmission to the Respondents’ creditors or other interested parties at their respective addresses as last shown on the records of the Respondents and that any such service, distribution or notice shall be deemed to be received: (a) if sent by courier, on the next business day following the date of forwarding thereof, (b) if delivered by personal delivery or facsimile or other electronic transmission, on the day so delivered, and (c) if sent by ordinary mail, on the third business day after mailing.

53. **THIS COURT ORDERS** that the Respondents and the Monitor and their respective counsel are at liberty to serve or distribute this Order and any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Respondents’ creditors or other interested parties and their advisors, as applicable. For greater certainty, any such distribution or



service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

54. **THIS COURT ORDERS** that, subject to further Order of this Court in respect of urgent motions, any interested party wishing to object to the relief sought in a motion brought by the Respondents, the Monitor, or the Bridging Receiver in these proceedings shall, subject to further Order of this Court, provide the service list in these proceedings (the “**Service List**”) with responding motion materials or a written notice (including by e-mail) stating its objection to the motion and the grounds for such objection by no later than 5:00 p.m. Eastern Standard/Daylight Time on the date that is two (2) days prior to the date such motion is returnable (the “**Objection Deadline**”). The Monitor shall have the ability to extend the Objection Deadline by notice in writing.

55. **THIS COURT ORDERS** that following the expiry of the Objection Deadline, counsel to the Monitor shall inform the Court, including by way of a 9:30 a.m. appointment, of the absence or the status of any objections to the motion and the judge having carriage of the motion may determine (a) whether a hearing in respect of the motion is necessary, (b) if a hearing is necessary, the date and time of the hearing, (c) whether such hearing will be in person, by telephone or videoconference, or by written submissions only, and (d) the parties from whom submissions are required. In the absence of any such determination, a hearing will be held in the ordinary course on the date specified in the notice of motion.

## **SEALING**

56. **THIS COURT ORDERS** that the Confidential Appendices to the KSV Report shall be sealed and kept confidential pending further order of this Court.

## **GENERAL**

57. **THIS COURT ORDERS** that the Respondents or the Monitor may from time to time apply to this Court to amend, vary, supplement or replace this Order, or for advice and directions in the discharge of their respective powers and duties under this Order or the interpretation or application of this Order.

58. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Respondents, the Business, the Property, the MJar Subsidiaries, or any of the business or property of the MJar Subsidiaries.

59. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Respondents, the Monitor 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 Respondents 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 Respondents and the Monitor and their respective agents in carrying out the terms of this Order.

60. **THIS COURT ORDERS** that the Bridging Receiver, each of the Respondents and the Monitor be at liberty and are 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.

61. **THIS COURT ORDERS** that the Initial Order is hereby amended and restated pursuant to this Order, and 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.

  
CHIEF JUSTICE G.B. MORAWETZ

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

Court File No: CV-22-00682101-00CL

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OLYING MJARDIN GROUP, INC., GROWFORCE HOLDINGS INC., 8586985  
ADA CORPORATION AND HIGHGRADE MMJ CORPORATION

Respondents

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE-**  
**COMMERCIAL LIST**

Proceeding commenced at Toronto

**AMENDED AND RESTATED**  
**INITIAL ORDER**

**Thornton Grout Finnigan LLP**  
TD West Tower, Toronto-Dominion Centre  
100 Wellington Street West, Suite 3200  
Toronto, ON M5K 1K7  
Fax: (416) 304-1313

Rebecca L. Kennedy (LSO # 61146S)  
Email: rkennedy@tgf.ca  
Tel: (416) 304-0603

Adam Driedger (LSO #77296F)  
Email: adriedger@tgf.ca  
Tel.: (416) 304-1152

Lawyers for the PricewaterhouseCoopers Inc.

## **Appendix “B”**



**Projected Statement of Cash Flow**

For the Period Ending November 11, 2022

(Unaudited; \$CAD in 000's)

Notes	Weeks Ending													Total
	19-Aug-22	26-Aug-22	02-Sep-22	09-Sep-22	16-Sep-22	23-Sep-22	30-Sep-22	07-Oct-22	14-Oct-22	21-Oct-22	28-Oct-22	04-Nov-22	11-Nov-22	
<b>Receipts</b>														
	38	363	225	28	-	676	373	113	119	360	414	131	39	2,879
Collections from cannabis sales	38	363	225	28	-	676	373	113	119	360	414	131	39	2,879
<b>Total Receipts</b>														
<b>Disbursements</b>														
<b>Operating Costs:</b>														
Payroll	(8)	(125)	-	(125)	(17)	(125)	-	(125)	(17)	(125)	-	(125)	-	(793)
Operating expenses	(75)	(75)	(60)	(121)	(50)	(80)	(200)	(121)	(50)	(50)	(75)	(121)	(50)	(1,128)
Insurance	(48)	-	-	(75)	-	-	-	(75)	-	-	-	(75)	-	(272)
Rent	-	(20)	-	-	-	-	(20)	-	-	-	(20)	-	-	(60)
Excise Taxes	-	-	(125)	-	(59)	-	(125)	-	-	(59)	-	(115)	-	(483)
HST refund (payment)	-	-	(60)	-	74	-	-	(50)	-	-	-	(50)	-	(86)
<b>Total Operating Disbursements</b>	(131)	(220)	(245)	(321)	(53)	(205)	(345)	(371)	(67)	(234)	(95)	(486)	(50)	(2,823)
<b>Net Cash Flow Before the Undeclared</b>	(93)	143	(20)	(293)	(53)	470	28	(258)	52	126	319	(355)	(11)	56
<b>Professional fees</b>														
Restructuring costs	-	(135)	-	-	-	(150)	-	-	-	(150)	-	-	-	(435)
<b>Net Cash Flow</b>	(46)	-	-	(195)	-	-	-	-	(195)	-	-	-	-	(436)
	(139)	8	(20)	(488)	(53)	320	28	(258)	(143)	(24)	319	(355)	(11)	(815)
<b>Operating Cash Balance</b>														
Net cash flow	275	536	544	524	211	159	479	507	249	107	82	402	97	275
DIP Financing	(139)	8	(20)	(488)	(53)	320	28	(258)	(143)	(24)	319	(355)	(11)	(815)
Closing Cash Balance	400	-	-	175	-	-	-	-	-	-	-	50	-	625
	536	544	524	211	159	479	507	249	107	82	402	97	86	86
<b>Cumulative DIP Loan Balance, excluding accrued interest</b>														
	1,650	1,650	1,650	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,875	1,875	1,875

MJardin Group, Inc., GrowForce Holdings Inc., Highgrade MMJ Corporation and 8586985 Canada Corporation (collectively, the "Debtors")

**Notes to Projected Statement of Cash Flow**

For the Period Ending November 11, 2022

(Unaudited; \$CAD in 000's)

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**Purpose and General Assumptions**

The purpose of the projection is to present a cash flow forecast of the Debtors for the period August 20, 2022 to November 11, 2022 (the "Period") in respect of their proceedings under the *Companies' Creditors Arrangement Act* ("CCAA").

The cash flow projection has been prepared based on most probable assumptions.

**Hypothetical Assumptions**

None.

**Probable Assumptions**

1. Represents projected collections from outstanding invoices, existing purchase orders and forecasted sales. Collections are presented net of any deductions from projected returns and price reductions.
2. Operating costs include payroll, payments to trade vendors and insurance.
3. Occupancy costs include rent for the Debtors' leased premises in Brampton, Ontario.
4. Represents normal course excise tax remittances along with a monthly payment of \$59,000 in respect of excise tax arrears generated from the period from November 2021 to February 2022, which are being paid in order to maintain the Debtors' cannabis licences.
5. Represents the estimated payments to the Monitor and its counsel in respect of their professional fees.
6. Represents the monthly obligations associated with the Chief Restructuring Officer and other consultants.
7. Reflects projected DIP funding to be provided by Bridging Finance Inc. or certain related investments funds, pursuant to the terms of the DIP Term Sheet.

COURT FILE NO.: CV-22-00682101-00CL

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

MANAGEMENT'S REPORT ON CASH FLOW STATEMENT  
(paragraph 10(2)(b) of the CCAA)

The management of MJardin Group, Inc., Growforce Holdings Inc., 8586985 Canada Corporation and Highgrade MMJ Corporation (collectively, the "Debtors") have developed the assumptions and prepared the attached statement of projected cash flow as of the 20<sup>th</sup> day August, 2022 for the period August 20, 2022 to November 11, 2022 ("Cash Flow"). All such assumptions are disclosed in the notes to the Cash Flow.

The probable assumptions are suitably supported and consistent with the purpose of the Cash Flow as described in Note 1 to the Cash Flow, and the probable assumptions are suitably supported and consistent with the plans of the Debtors and provide a reasonable basis for the Cash Flow.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The Cash Flow has been prepared solely for the purpose outlined in Note 1 using a set of probable assumptions set out therein. Consequently, readers are cautioned that the Cash Flow may not be appropriate for other purposes.

Dated at Toronto, Ontario this 23<sup>rd</sup> day of August, 2022.

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



Per: Howard Steinberg  
Howards Capital, Corp., in its capacity as  
Chief Restructuring Officer of MJardin Group, Inc.

## **Appendix “C”**

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

**MONITOR'S REPORT ON CASH FLOW STATEMENT**  
(paragraph 23(1)(b) of the CCAA)

The attached statement of projected cash-flow of MJardin Group, Inc., Growforce Holdings Inc., 8586985 Canada Corporation and Highgrade MMJ Corporation (collectively, the "Debtors") as of the 23<sup>rd</sup> day August, 2022, consisting of a weekly projected cash flow statement for the period August 20, 2022 to November 11, 2022 ("Cash Flow") has been prepared by the management of the Debtors for the purpose described in Note 1, using probable assumptions set out in the notes to the Cash Flow.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the management and employees of the Debtors. We have reviewed the support provided by management for the probable assumptions and the preparation and presentation of the Cash Flow.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Debtors or do not provide a reasonable basis for the Cash Flow; or
- b) the Cash Flow does not reflect the probable assumptions.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report or relied upon in preparing this report.

The Cash Flow has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto this 23<sup>rd</sup> day of August, 2022.

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.  
IN ITS CAPACITY AS PROPOSED MONITOR OF  
MJARDIN GROUP, INC., GROWFORCE HOLDINGS INC.,  
8586985 CANADA CORPORATION AND HIGHGRADE MMJ CORPORATION  
AND NOT IN ITS PERSONAL CAPACITY**

## **Appendix “D”**

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

BETWEEN:

**PRICEWATERHOUSECOOPERS INC.**

(solely 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**

**AFFIDAVIT OF NOAH GOLDSTEIN**

(Sworn August 23, 2022)

I, Noah Goldstein, of the City of Toronto, in the Province of Ontario, MAKE OATH AND  
SAY:

1. I am a Managing Director of KSV Restructuring Inc. ("KSV").
2. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) ("Court") made on June 2, 2022, as amended (the "Initial Order"), MJardin Group, Inc. and three of its subsidiaries, Growforce Holdings Inc., 8586985 Canada Corporation and Highgrade MMJ Corporation (collectively, the "Debtors"), were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "CCAA"), and KSV was appointed monitor ("Monitor").



3. I have been involved in the management of this mandate since its outset. As such, I have knowledge of the matters to which I hereinafter depose.

4. On August 23, 2022, the Monitor finalized its Third Report to Court in which it outlined its activities with respect to the Debtors' CCAA proceedings as well as provided information with respect to the Monitor's fees and disbursements and those of its legal counsel, Goodmans LLP.

5. I hereby confirm that attached as Exhibit "A" hereto are true copies of the accounts of KSV for the periods indicated and confirm that these accounts accurately reflect the services provided by KSV in this matter and the fees and disbursements claimed by it.

6. Additionally, attached hereto as Exhibit "B" is a summary of additional information with respect to all members of KSV who have worked on this matter, including their roles, hours and rates, and I hereby confirm that the list represents an accurate account of such information.

7. I consider the accounts to be fair and reasonable considering the circumstances connected with this administration.

8. I also confirm that the Monitor has not received, nor expects to receive, nor has the Monitor been promised any remuneration or consideration other than the amount claimed in the accounts.

**SWORN BEFORE ME** over  
videoconference by Noah Goldstein stated  
as being located in the City of Toronto in  
the Province of Ontario, before me at the  
City of Toronto in the Province of Ontario,  
on August 23, 2022, in accordance with O.  
Reg 431/20 Administering Oath or  
Declaration Remotely



\_\_\_\_\_  
A Commissioner, etc.

Andrew Harmes  
LSO#73221A

*noah goldstein*  
\_\_\_\_\_  
Noah Goldstein

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF NOAH GOLDSTEIN

SWORN before me over videoconference by Noah Goldstein stated as being located in the City of Toronto in the Province of Ontario, before me at the City of Toronto in the Province of Ontario, on August 23, 2022, in accordance with O. Reg 431/20 Administering Oath or Declaration Remotely

  
\_\_\_\_\_

Commissioner for taking Affidavits, etc



**Noah Goldstein**

**ksv advisory inc.**

150 King Street West, Suite 2308

Toronto, Ontario, M5H 1J9

T +1 416 932 6207

F +1 416 932 6266

ngoldstein@ksvadvisory.com

ksvadvisory.com

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July 14, 2022

MJardin Group Inc.  
PO Box 846 – Toronto Adelaide Retail  
Toronto, ON M5C 2K1

**Attention: Howard Steinberg**

Dear Howard:

**Re: MJardin Group, Inc., GrowForce Holdings Inc., 8586985 Canada Corporation and Highgrade MMJ Corporation (collectively, the "Companies")**

Enclosed please find our invoice for services rendered for the period from May 24, 2022 to June 30, 2022 in respect of the Companies' proceedings under the *Companies' Creditors Arrangement Act*.

Should you have any questions regarding the enclosed, please do not hesitate to contact us.

Yours very truly,

**KSV RESTRUCTURING INC.**

Noah Goldstein

NG:rk  
Encl(s)





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## INVOICE

MJardin Group, Inc.  
150 King Street West, Suite 2308  
Toronto, ON M5H 1J9

July 14, 2022

Invoice No: 2701  
HST #: 818808768RT0001

**Re: MJardin Group, Inc. ("MJar"), GrowForce Holdings Inc., 8586985 Canada Corporation and Highgrade MMJ Corporation (collectively, the "Companies")**

For professional services rendered from May 24, 2022 to June 30, 2022 by KSV Restructuring Inc. ("KSV") in connection with the Companies' proceedings under the *Companies' Creditors Arrangement Act* ("CCAA"), including:

### General

- Corresponding extensively with PricewaterhouseCoopers Inc., ("PwC"), the Court-appointed receiver of Bridging Finance Inc. ("BFI") and other related entities, the Company's senior secured creditor, and Thornton Grout Finnigan LLP ("TGF"), PwC's counsel, concerning all matters in the CCAA proceedings;
- Corresponding extensively and virtually on a daily basis during the period with Goodmans LLP ("Goodmans"), concerning all matters in the CCAA proceedings;
- Corresponding daily with Howard Steinberg, principal of Howards Capital Corp., ("HCC") Chief Restructuring Officer of the Companies (the "CRO") concerning all matters in the CCAA proceedings;

### Receivership Discharge

- Finalizing KSV's First Report to Court dated June 2, 2022 in its capacities as Court-appointed receiver of MJar (the "Receiver") and as proposed CCAA monitor (the "Monitor") of the Companies (the "Pre-filing Report");
- Preparing appendices to the Pre-filing Report, including the Receiver's interim statement of receipts and disbursements and fee affidavit;
- Corresponding extensively with Goodmans, PwC and TGF regarding the Pre-filing Report;

- Reviewing and providing comments on the Receiver's discharge materials, including the Notice of Motion returnable June 2, 2022, and Discharge Order dated June 2, 2022, and discussing the same with Goodmans;
- Attending Court (virtually) on June 2, 2022 regarding a Motion for the Receiver's discharge;
- Filing the Receiver's Discharge Certificate dated June 3, 2022;

#### **CCAA Filing and Comeback Motion**

- Attending Court (virtually) on June 2, 2022 regarding the Companies' CCAA filing;
- Reviewing and commenting on all Court materials prepared in connection with the Companies' comeback hearing scheduled on June 9, 2022 (the "Comeback Motion"), including motion record of the Companies returnable June 9, 2022, the Notice of Motion dated June 7, 2022, and the Amended and Restated Initial Order (the "ARIO");
- Reviewing and commenting on an agreement to retain HCC as CRO of the Companies (the "CRO Engagement Agreement");
- Preparing the Monitor's First Report to Court dated June 7, 2022 (the "First Report") in connection with the Comeback Motion;
- Corresponding extensively with Goodmans, PwC and TGF regarding the First Report, including the confidential appendices filed in connection with the same;
- Attending Court (virtually) on June 9, 2022 in connection with the Comeback Motion;
- Preparing a statutory notice dated June 7, 2022 to all known creditors of the Companies advising of the CCAA proceedings;

#### **Operating Matters**

- Finalizing communication documents to stakeholders regarding the Companies' CCAA proceedings, including a supplier script, customer script, employee script and employee letter;
- Attending an employee town hall and on-site meetings with the CRO, and the Companies at their cannabis production facility in Brampton, Ontario, on June 13, 2022;
- Preparing a CCAA notice to be published in the national edition of *The Globe and Mail* newspaper in accordance with the Initial Order;
- Corresponding extensively with Edward Jonasson, Chief Financial Officer of MJar (the "CFO"), to monitor purchases and payments, and support discussions with various stakeholders;
- Corresponding with various creditors and suppliers to provide an update on the status of the CCAA proceedings;
- Preparing a letter dated June 8, 2022 to BFL Canada Risk and Insurance Services Inc., the Companies' insurance broker, regarding continuation of D&O insurance policies during the CCAA proceedings;

- Corresponding extensively with Hydro One Networks Inc. (“Hydro One”) and Alectra Utilities Corporation (“Alectra”), regarding continuation of utility services during the CCAA proceedings, including calls on June 22, 27, and 30, 2022;
- Corresponding with the Canada Revenue Agency (the “CRA”) regarding its assessment of the payroll and harmonized sales tax accounts of the Companies, including attending calls with the CRA on June 14 and 16, 2022;
- Reviewing and discussing a letter dated June 21, 2022 from Stevenson Whelton LLP, counsel to the Companies’ landlord for its facility in Brampton, Ontario;
- Preparing contract disclaimers (collectively the “Disclaimers”) for the following parties:
  - Robes Inc.;
  - Cannavolve Inc.; and
  - I.G. Investment Management, Ltd., as trustee for Investors Real Property;
- Corresponding extensively with Mr. Steinberg and Goodmans regarding the Disclaimers, including a call on June 24, 2022;
- Attending status update calls with PwC, the CRO and CFO on June 23 and 30, 2022 regarding the Weekly Cash Flow Forecasts and CRO’s Weekly Reports to the Monitor, dated June 23 and 30, 2022;
- Discussing the engagement of FAAN Advisors Group Inc. to assist with the Companies’ finance function with PwC and Mr. Steinberg, and attending a call on June 23, 2022 regarding the same;
- Corresponding extensively with the CRO regarding the termination of certain employees, including a call on June 27, 2022 to discuss the same;
- Preparing draft termination letters for certain of the Companies’ employees;
- Corresponding with Alterna Savings and Credit Union Ltd. (“Alterna”) regarding the Companies’ bank accounts held at their institution;

#### **Cash Flow & DIP Financing**

- Preparing a daily cash flow template for the Companies and reviewing the same, provided by the Companies on a daily basis from June 1 to 10, 2022;
- Preparing a funding request dated June 10, 2022 (“June 10 Funding Request”) and corresponding with the CRO and Companies regarding same;
- Preparing an email to PwC on June 10, 2022 regarding the June 10 Funding Request;
- Reviewing and updating the Companies’ weekly cash flow forecast and preparing a weekly cashflow variance analysis for the weeks ending June 17 and 24, and July 1, 2022 (the “Weekly Cash Flow Forecasts”) and corresponding extensively with the CRO and Companies regarding same;



**Other**

- Attending a call with Christina Dykun, John Fritzel, PwC and the Companies on May 31, 2022 regarding the status of Buddy Boy Brands, and discussing the same with the Companies and PwC;
- Corresponding with the Companies, PwC and Goodmans regarding Atlanticann Medical Inc. ("AMI"), an entity in which the Company holds an interest;
- Updating PwC regularly regarding the status of the CCAA proceedings;
- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

Total fees and disbursements	\$ 128,677.36
HST	16,728.06
Total due	<u>\$ 145,405.42</u>

**Wire Instructions**

Pay to: KSV Restructuring Inc.  
150 King Street W, Suite 2308  
Toronto, ON M5H 1J9

Bank: BMO Bank of Montreal  
First Canadian Place, 42nd Floor  
Toronto, ON M5X 1A3

Bank No.: 001  
Transit (ABA): 32132  
Account No.: 1995-665  
Swift Code: BOFMCAM2

KSV Restructuring Inc.  
MJardin Group, Inc., GrowForce Holdings Inc., 8586985 Canada Corporation and Highgrade MMJ Corporation

**Time Summary**

For the period May 24, 2022 to June 30, 2022

<b>Personnel</b>	<b>Rate (\$)</b>	<b>Hours</b>	<b>Amount (\$)</b>
Noah Goldstein	675	53.50	36,112.50
David Sieradzki	675	25.25	17,043.75
Murtaza Tallat	495	100.30	49,648.50
Christian Vit	425	51.75	21,993.75
Other Staff and administration			3,401.25
Total fees		230.80	128,199.75
Out-of-pocket disbursements			477.61
Total fees and disbursements			128,677.36



**Noah Goldstein**

**ksv advisory inc.**

150 King Street West, Suite 2308

Toronto, Ontario, M5H 1J9

T +1 416 932 6207

F +1 416 932 6266

ngoldstein@ksvadvisory.com

ksvadvisory.com

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August 15, 2022

8586985 Canada Corporation  
PO Box 846 – Toronto Adelaide Retail  
Toronto, ON M5C 2K1

**Attention: Howard Steinberg**

Dear Howard:

**Re: MJardin Group, Inc., GrowForce Holdings Inc., 8586985 Canada Corporation and Highgrade MMJ Corporation (collectively, the "Companies")**

Enclosed please find our invoice for services rendered for the month ending July 2022 in respect of the Companies' proceedings under the *Companies' Creditors Arrangement Act*.

Should you have any questions regarding the enclosed, please do not hesitate to contact us.

Yours very truly,

**KSV RESTRUCTURING INC.**

Noah Goldstein

NG:rk

Encl(s)





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## INVOICE

8586985 Canada Corporation  
150 King Street West, Suite 2308  
Toronto, ON M5H 1J9

August 15, 2022

Invoice No: 2744  
HST #: 818808768RT0001

**Re: MJardin Group, Inc. ("MJar"), GrowForce Holdings Inc., 8586985 Canada Corporation and Highgrade MMJ Corporation (collectively, the "Companies")**

For professional services rendered during July 2022 by KSV Restructuring Inc. ("KSV") in connection with the Companies' proceedings under the *Companies' Creditors Arrangement Act* ("CCAA"), including:

### General

- Corresponding extensively with PricewaterhouseCoopers Inc., ("PwC"), the Court-appointed receiver of Bridging Finance Inc. ("BFI") and other related entities, the Company's senior secured creditor, and Thornton Grout Finnigan LLP ("TGF"), PwC's counsel, concerning all matters in the CCAA proceedings;
- Corresponding extensively with Goodmans LLP ("Goodmans"), concerning all matters in the CCAA proceedings;
- Corresponding daily with Howard Steinberg, principal of Howards Capital Corp. ("HCC"), Chief Restructuring Officer of the Companies (the "CRO") concerning all matters in the CCAA proceedings;

### Operating Matters

- Reviewing the Companies' engagement agreement with FAAN Advisors Group Inc. ("FAAN") to provide accounting services to the Companies, dated June 30, 2022, and attending a call with the CRO, PwC and FAAN on July 6, 2022 to discuss the same;
- Attending on site at the facility in Brampton, Ontario (the "WILL Facility") on July 4, 2022 to support FAAN's onboarding;
- Corresponding extensively with Edward Jonasson, former Chief Financial Officer of the Companies, and FAAN to monitor purchases and payments, and support discussions with various stakeholders;

- Corresponding with various creditors and suppliers to provide an update on the status of the CCAA proceedings;
- Corresponding extensively with Alectra Utilities Corporation (“Alectra”) regarding continuation of utility services during the CCAA proceedings, including calls on July 5, 12 and 26, 27, 28 and 29, 2022;
- Corresponding with the Canada Revenue Agency (the “CRA”) and the Companies regarding payroll and harmonized sales tax account assessments, including attending calls with the CRA on July 4, 14 and 25, 2022;
- Reviewing the Companies’ response to the CRA regarding its request to audit the harmonized sales tax accounts, including attending a call with the Companies on July 21, 2022;
- Preparing and finalizing contract disclaimers (collectively the “Disclaimers”) for the following parties:
  - Robes Inc.;
  - Bell MTS;
  - Canndoc Ltd. and Green-Boyz Ltd.; and
  - Unlimited HRM Solutions;
- Corresponding extensively with the CRO and Goodmans regarding the Disclaimers;
- Attending status update calls with PwC and the CRO on July 7, 14, 21 and 28, 2022 regarding the Weekly Cash Flow Forecasts and CRO’s Weekly Reports to the Monitor, dated July 7, 14, 21 and 28, 2022;
- Preparing draft termination letters for certain of the Companies’ employees;
- Corresponding with the CRO and PwC regarding compensation and the hiring of certain consultants;
- Corresponding extensively with the CRO, human resources consultant (the “HR Consultant”), PwC and Goodmans regarding the termination of certain employees, vacation pay and director liability matters, including attending calls with Goodmans and PwC on July 11, 2022, and the HR Consultant on July 14, 15, 22 and 25, 2022 to discuss the same;
- Preparing draft letters for certain of the Companies’ employees regarding vacation pay, and corresponding with former employees to discuss the same;
- Corresponding with the CRO, PwC, TGF, Goodmans and Stevenson Whelton LLP, counsel to the Companies’ landlord regarding the WILL Facility lease, and attending a call with the CRO, PwC, TGF and Goodmans on July 18, 2022;
- Reviewing Goodmans’ security review memo regarding the Companies;

#### **Cash Flow & DIP Financing**

- Preparing a funding request dated July 28, 2022 (“July 28 Funding Request”) and corresponding with the CRO and Companies regarding same;

- Preparing an email to PwC on July 28, 2022 regarding the July 28 Funding Request;
- Reviewing and updating the Companies' weekly cash flow forecast and preparing a weekly cashflow variance analysis for the weeks ending July 8, 15, 22 and 29, 2022 (the "Weekly Cash Flow Forecasts") and corresponding extensively with the CRO and FAAN regarding same;
- Attending calls with the CRO and FAAN, on July 11, 15 and 18, 2022 regarding updates to the weekly cash flow forecast;

#### Other

- Attending several calls with PwC, a representative of Buddy Boy Brands and the Companies regarding the status of Buddy Boy Brands;
- Corresponding with the Companies, CRO, PwC, TGF and Goodmans regarding a motion to, among other things, authorize a distribution to PwC and increase the value threshold for the disposal of non-material assets, including preparing Court materials regarding same;
- Updating PwC regularly regarding the status of the CCAA proceedings;
- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

Total fees and disbursements	\$	56,644.27
HST		7,363.76
Total due	\$	<u>64,008.03</u>

#### Wire Instructions

Pay to: KSV Restructuring Inc.  
150 King Street W, Suite 2308  
Toronto, ON M5H 1J9

Bank: BMO Bank of Montreal  
First Canadian Place, 42nd Floor  
Toronto, ON M5X 1A3

Bank No.: 001  
Transit (ABA): 32132  
Account No.: 3213-1995-665  
Swift Code: BOFMCAM2



KSV Restructuring Inc.

MJardin Group, Inc., GrowForce Holdings Inc., 8586985 Canada Corporation and Highgrade MMJ Corporation

**Time Summary**

For the period July 1, 2022 to July 31, 2022

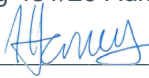
<b>Personnel</b>	<b>Rate (\$)</b>	<b>Hours</b>	<b>Amount (\$)</b>
Noah Goldstein	675	19.50	13,162.50
Murtaza Tallat	495	48.10	23,809.50
Christian Vit	425	45.00	19,125.00
Other Staff and administration	160-195	2.10	388.50
Total fees		112.60	56,485.50
Out-of-pocket disbursements			
Postage			56.29
Mileage			102.48
Total disbursements			158.77
Total fees and disbursements			56,644.27

Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF NOAH GOLDSTEIN

SWORN before me over videoconference by Noah Goldstein stated as being located in the City of Toronto in the Province of Ontario, before me at the City of Toronto in the Province of Ontario, on August 23, 2022, in accordance with O. Reg 431/20 Administering Oath or Declaration Remotely

  
\_\_\_\_\_

Commissioner for taking Affidavits, etc

## Exhibit "B"

**MJardin Group, Inc., Growforce Holdings Inc., 8586985 Canada Corporation and Highgrade MMJ Corporation (the "Debtors")**  
**Schedule of Professionals' Time and Rates**  
**For the Period of May 30, 2022 to July 31, 2022**

Name	Role	Hours	Billing Rate (Per Hour)	Total Fees by Professional (\$)
Noah Goldstein	Overall Responsibility	73.00	\$ 675	49,275.00
Murtaza Tallat	All aspects of mandate	148.40	\$ 495	73,458.00
Christian Vit	All aspects of mandate	96.75	\$ 425	41,118.75
Other staff and administrative		44.85	\$ 160 - 675	20,833.50
Total hours				388.25
Total fees				<u>\$ 184,685.25</u>
Average hourly rate				475.69

## **Appendix “E”**



**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**

**AFFIDAVIT OF CHRISTOPHER ARMSTRONG  
(sworn August 23, 2022)**

I, Christopher Armstrong, of the City of Toronto, in the Province of Ontario, MAKE  
OATH AND SAY:

1. I am a partner with the law firm of Goodmans LLP ("**Goodmans**"), counsel to KSV Restructuring Inc. ("**KSV**"), in its capacity as court-appointed monitor (the "**Monitor**") of MJardin

Group, Inc., Growforce Holdings Inc., 8586985 Canada Corporation and Highgrade MMJ Corporation (collectively, the “**Respondents**”). As such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and where so stated I verily believe it to be true.

2. KSV was appointed as Monitor pursuant to the Initial Order (as amended and restated, the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on June 2, 2022. The Monitor retained Goodmans as its legal counsel in these proceedings.

3. Pursuant to paragraph 34 of the Initial Order, the Monitor and its legal counsel are to be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Respondents as part of the proceedings. Pursuant to paragraph 35 of the Initial Order, the Monitor and its legal counsel are required to pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are referred to the Court.

4. Attached hereto and marked as Exhibit “A” are true copies of the accounts (the “**Goodmans Accounts**”) rendered by Goodmans to the Monitor for the period from May 30<sup>th</sup> to July 29<sup>th</sup>, 2022 (the “**Application Period**”). The Goodmans Accounts have been redacted to address matters of confidentiality or privilege.

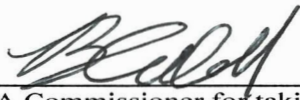
5. Attached hereto as Exhibit “B” is a schedule summarizing the Goodmans Accounts in respect of the Application Period. As shown in the summary, Goodmans incurred fees and disbursements during the Application Period totalling \$204,883.69, comprised of fees of \$180,372.00, costs of \$940.99 and taxes of \$23,570.70. All amounts billed were at Goodmans’ standard rates and charges.

6. Attached hereto as Exhibit "C" is a schedule summarizing the respective years of call and billing rates of each of the professionals at Goodmans that rendered services to the Monitor during the Application Period, the hours worked by each such individual, and the hourly rates for the file. As shown in the summary, Goodmans incurred a total of 251.6 hours in connection with this matter during the Application Period at an average hourly rate of \$716.90.

7. To the best of my knowledge, the rates charged by Goodmans during the Application Period are comparable to the rates charged by similar law firms in the Toronto market for the provision of similar services. I believe that the total hours, fees and disbursements incurred by Goodmans during the Application Period are reasonable and appropriate in the circumstances.

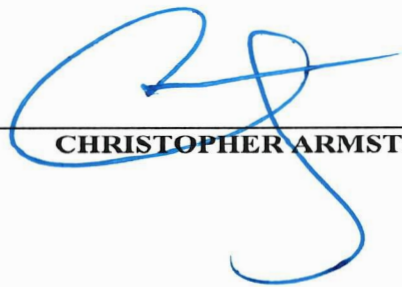
8. This Affidavit is sworn in connection with a motion for the approval of the fees and disbursements of the Monitor and its legal counsel and for no improper purpose.

SWORN before me at the City of  
Toronto in the Province of Ontario, on  
this 23<sup>rd</sup> day of August, 2022.



A Commissioner for taking affidavits

Brennan Caldwell



CHRISTOPHER ARMSTRONG

**THIS IS EXHIBIT "A"**  
**TO THE AFFIDAVIT OF CHRISTOPHER ARMSTRONG**  
**SWORN BEFORE ME THIS 23<sup>rd</sup> DAY OF AUGUST, 2022**

A handwritten signature in black ink, appearing to read "Blalock", is written over a horizontal line.

Commissioner for Taking Affidavits



# Goodmans<sup>LLP</sup>

8586985 Canada Corporation  
c/o KSV Restructuring Inc.  
2308 - 150 King St W  
P.O. Box 42  
Toronto, ON  
Canada M5H 2R2

ATTENTION: Noah Goldstein

Barristers & Solicitors

Bay Adelaide Centre  
333 Bay Street, Suite 3400  
Toronto, Ontario M5H 2S7

Telephone: 416.979.2211  
Facsimile: 416.979.1234  
goodmans.ca

GST Registration Number R119422962  
June 30, 2022

OUR FILE NO. KSVR 221020  
OUR INVOICE NO. 780236  
GST/HST REGISTRATION NO. R119422962

Re: Project Clue

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TO OUR PROFESSIONAL SERVICES RENDERED IN CONNECTION WITH THE ABOVE NOTED  
MATTER INCLUDING THE FOLLOWING:

Date	TKID	Hours	Description
05/30/22	CAG	2.20	Review and comment on draft First Day Initial Order; attending to various matters re: finalization of CCAA materials and receiver discharge materials and numerous emails and telephone conferences re: same.
05/30/22	BCA	1.10	Preparing materials for CCAA application.
05/30/22	ACH	6.00	Drafting initial order re: CCAA application; reviewing and revising form of amended and restated initial order; reviewing and revising affidavit; email to B. Caldwell re: service list; email to A. Driedger re: cash management; reviewing and revising; attending to email correspondence re: distributing forms of CCAA materials and related matters.
05/31/22	CAG	6.10	Review Bennett Jones comments on ARIO and considering redaction matters and emails re: same; telephone call with M. McTaggart re: status of CCAA filing matters; review and comment on revised receiver discharge motion materials; numerous emails/telephone conferences with KSV re: status of CCAA filing matters; revising CRO agreement and emails with Bennett Jones re: finalization of same; reviewing and commenting on updated draft of Monitor's Report; meeting with KSV/PwC/company re: discussion of CCAA filing matters.
05/31/22	BCA	5.60	Preparing, commenting on and revising materials for CCAA application.
05/31/22	ACH	7.50	Reviewing and revising fee summary; reviewing and revising initial affidavit, initial order, amended and restated initial order; teleconference with TGF, PwC and KSV re: governance and management; teleconference with TGF,

Date	TKID	Hours	Description
			PwC, KSV and E. Jonasson re: CCAA filing and related matters; drafting issues list re: CCAA filing; reviewing and revising draft receiver discharge materials; reviewing and revising draft KSV report; attending to various emails and matters re: receiver discharge and CCAA filing.
06/01/22	CAG	12.70	Telephone call with all parties re: discussion of open items re: CCAA filing; review and comment on numerous updated turns of Receiver/Monitor Report; telephone call with company management and counsel re: status of matters and emails re: same; review/revise/circulate final DIP term sheet; [REDACTED] numerous telephone conferences and emails with KSV, PwC, TGF and Paliare Roland re: CCAA filing issues/finalization of materials; review and comment on TGF factum; review and comment on final versions of various CCAA filing materials and coordination with TGF/KSV/A. Harmes re: finalization and service of materials.
06/01/22	BCA	3.50	Meeting with KSV, PwC, and TGF regarding action items; preparing materials for CCAA application.
06/01/22	ACH	12.90	Reviewing and revising issues list re: CCAA filing materials; teleconference with all parties re: discussion of open items re: CCAA filing; reviewing and revising affidavit and initial order and amended and restated initial order; circulating for comment; reviewing receivership materials and finalizing same; reviewing and revising KSV report; reviewing and revising notice of application and factum; reviewing and revising indemnity; various telephone calls and emails with KSV, PwC and TGF re: CCAA filing; drafting affidavits of service; drafting email to the Court re: confidential appendices; attending to service, filing and uploading of materials to CaseLines.
06/02/22	CAG	4.20	Review final various of court materials and prepare submissions; attend CCAA initial application hearing.
06/02/22	ABG	.80	Review of file; correspondence to A. Harmes re: quote; revising quote; correspondence with A. Harmes; ordering PPSA searches.
06/02/22	BCA	4.80	Preparing materials for service; [REDACTED]
06/02/22	ACH	5.00	Attending to various matters re: CaseLines and filing of monitor's report; attending court hearing re: initial application and receiver discharge motion; email to the court re: discharge order.
06/03/22	CAG	2.40	Numerous telephone conferences and emails with CRO counsel, PwC, TGF and KSV re: CRO consultant/sealing matters; review and comment on First

Date	TKID	Hours	Description
			Report of Monitor and coordinating with A. Harmes re: revisions to same.
06/03/22	BCA	3.10	Preparing factum for supplemental hearing.
06/03/22	ACH	5.50	Drafting letter to Health Canada and discussing same; reviewing and commenting on draft report of KSV; attending to filing receiver's discharge order; drafting email to KSV re: receiver's discharge certificate; attending to service of discharge order, discharge certificate and endorsement.
06/04/22	CAG	.30	Telephone call with N. Goldstein re: status of case matters.
06/05/22	CAG	.40	Telephone call with N. Goldstein and S. Zweig re: status of sealing matters re: CRO agreement.
06/05/22	BCA	1.30	Preparing factum for supplemental hearing.
06/06/22	CAG	5.80	Telephone call with KSV/TGF/PwC re: CRO agreement sealing matters; review and comment on updated First Report [REDACTED] and email to client enclosing comments; telephone call with CRO/Bennett Jones/KSV re: CRO agreement and sealing issue; revising First Report re: [REDACTED] review and comment on ARIO and telephone conference with A. Harmes re: same; review and comment on draft notice of motion re: comeback motion.
06/06/22	ABG	.80	Review of searches; updating summaries; correspondence to A. Harmes.
06/06/22	BCA	2.70	Preparing factum for discharge hearing; filing materials for comeback hearing.
06/06/22	ACH	5.80	Reviewing business assessment report re: confidential information; [REDACTED] reviewing and revising factum re: supplemental discharge and fee approval order.
06/07/22	CAG	1.00	Review and comment on draft factum; review updated draft of 1st Monitor's Report.
06/07/22	BCA	5.30	Preparing factum for comeback hearing; uploading court documents to CaseLines.
06/07/22	ACH	2.50	Reviewing first report of the Monitor; attending to service of same; swearing affidavit of service re: same; reviewing and revising factum of the receiver; attending to service re: same; swearing affidavit of service re: same; drafting

Date	TKID	Hours	Description
			email to the court re: scheduling motion for supplemental discharge and fee approval order.
06/08/22	CAG	2.40	Review and comment on updated supplemental discharge order; telephone call with TGF re: comeback hearing matters; review and comment on sealing factum and emails with TGF re: same; reviewing motion materials and preparing for comeback hearing/supplemental motion for discharge.
06/08/22	BCA	2.30	Preparing materials for supplemental discharge hearing.
06/08/22	ACH	1.50	Attending to various emails with the Commercial List office re: motion of the receiver; attending to matters re: re-filing and service of factum; preparing submissions re: receiver's motion for supplemental discharge and fee approval order.
06/09/22	CAG	2.60	Prepare for and attend CCAA comeback motion and supplemental receiver discharge motion; review and comment on Consultant Agreement and meeting with B. Caldwell re: revisions to same; review and comment on Health Canada letter and emails re: same.
06/09/22	ACH	5.30	Preparing for court hearing re: request for supplemental discharge and fee approval order; attending hearing re: amended and restated initial order and supplemental discharge and fee approval order; drafting email to Chief Justice Morawetz re: requested form of order and counsel slip; [REDACTED] [REDACTED]
06/10/22	CAG	.80	Attending to matters re: consultant agreement; [REDACTED] [REDACTED] emails with A. Harmes re: WEPPA matters; [REDACTED] [REDACTED]
06/10/22	BCA	2.10	[REDACTED] preparing security review.
06/10/22	ACH	2.80	[REDACTED] [REDACTED] attending to service of supplemental discharge and fee approval order; [REDACTED] [REDACTED]
06/10/22	EBN	.40	[REDACTED] [REDACTED]
06/11/22	CAG	.20	[REDACTED]



Date	TKID	Hours	Description
06/11/22	ACH	2.00	[REDACTED]
06/12/22	CAG	.20	[REDACTED]
06/13/22	BCA	3.60	Preparing security review; reviewing employment agreements.
06/14/22	BCA	2.20	Preparing review of Bridging security; meeting with A. Harmes regarding same and [REDACTED]
06/14/22	ACH	1.50	[REDACTED]
06/15/22	BCA	.90	Reviewing employment agreements.
06/15/22	JMC	.70	Review employment issues.
06/15/22	ACH	.50	Reviewing email from J. Conforti re: employment matters; reviewing legislation re: same; [REDACTED]
06/16/22	JMC	.50	[REDACTED]
06/16/22	ACH	.30	Drafting email to M. Tallat and N. Goldstein re: employee matters.
06/17/22	CAG	.20	Emails with KSV and internal team re: [REDACTED]
06/17/22	ACH	1.20	[REDACTED]
06/20/22	CAG	1.00	Review emails with D. Marazzato re: Highgrade MMJ minority equity interest and prepare draft response; [REDACTED] emails with KSV re: U.S. corporate filings; [REDACTED]
06/20/22	BCA	.50	Revising review of Bridging security.
06/20/22	ACH	.60	[REDACTED]
06/21/22	CAG	1.20	Telephone call with J. Conforti re: LTD employee issue and email to KSV re: same; [REDACTED]
06/21/22	BCA	1.10	Updating service list; meeting with C. Armstrong and A. Harmes regarding

Date	TKID	Hours	Description
			AMI dividend; reviewing review of Bridging security.
06/21/22	JMC	.40	[REDACTED]
06/21/22	ACH	2.50	Reviewing head office lease; [REDACTED] [REDACTED] drafting email to KSV re: same; reviewing email from N. Goldstein re: AMI; reviewing security summary re: obligors; meeting with C. Armstrong and B. Caldwell to discuss same; reviewing and revising security review; reviewing real property charges and subordination agreement re: same.
06/22/22	CAG	.60	Telephone call with KSV/PwC re: AMI dividend, [REDACTED] [REDACTED]
06/23/22	CAG	.80	Telephone call with N. Goldstein and G. Page re: Buddy Boy issues; brief review of FAAN consulting agreement and emails with A. Harmes re: same; emails with TGF re: [REDACTED]
06/23/22	ACH	3.00	Reviewing and revising draft engagement letter re: FAAN Advisors; drafting email to KSV and H. Steinberg re: same.
06/24/22	CAG	.50	Review and comment on revised FAAN consulting agreement and emails with KSV re: same; [REDACTED] and telephone call/email with M. Tallat re: same;
06/27/22	CAG	2.10	Review and comment on MJardin security review [REDACTED] [REDACTED]
06/27/22	BCA	.80	Correspondence with C. Armstrong regarding [REDACTED] reviewing and revising review of Bridging security.
06/28/22	CAG	.50	[REDACTED] [REDACTED]
06/28/22	BCA	1.50	Reviewing and revising review of Bridging security.
06/28/22	ACH	4.50	[REDACTED] [REDACTED] reviewing and revising security review.
06/29/22	BCA	.50	Reviewing and revising review of Bridging security.
06/29/22	DDC	.20	Correspondence with A. Harmes re: security review [REDACTED]
06/29/22	ACH	1.20	Reviewing and revising draft security review; [REDACTED] [REDACTED]

**OUR FEE****\$116,994.50**

TKID	NAME	HOURS	RATE	TOTAL
CAG	Armstrong, Christopher	48.20 hrs	\$870.00	\$41,934.00
ACH	Harmes, Andrew	72.10 hrs	\$695.00	\$50,109.50
BCA	Caldwell, Brennan	42.90 hrs	\$520.00	\$22,308.00
JMC	Conforti, Joe	1.60 hrs	\$1,110.00	\$1,776.00
DDC	Dedic, Dan	0.20 hrs	\$835.00	\$167.00
ABG	Bunting, Amanda	1.60 hrs	\$300.00	\$480.00
EBN	Nicoletta, Lisa	0.40 hrs	\$550.00	\$220.00
				<b>\$116,994.50</b>

**DISBURSEMENTS**

Filing Fee - Motion	640.00
Copies	72.25
Delivery - Courier	59.79
Search - PPSA	124.80
Search - Sub	44.15

**TOTAL DISBURSEMENTS****\$940.99**

TOTAL FEES ON THIS INVOICE

\$116,994.50

HST ON FEES

15,209.29

NON TAXABLE DISBURSEMENTS

0.00

TAXABLE DISBURSEMENTS

940.99

TOTAL DISBURSEMENTS ON THIS INVOICE

\$940.99

HST ON TAXABLE DISBURSEMENT

122.33

**TOTAL THIS INVOICE (CANADIAN DOLLARS)****\$133,267.11**

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THIS IS OUR ACCOUNT HEREIN  
GOODMANS LLP

E. & O. E.  
CAG /

This invoice may not reflect all time and disbursements incurred on this matter to date. It is payable upon receipt and in accordance with Section 33 of the *Solicitors Act* (Ontario), interest will be charged at the rate of 1.50% per annum on unpaid fees, charges or disbursements calculated one month from the date this invoice is delivered.



**PAYMENT OPTIONS**

**Cheque payable to GOODMAN'S LLP - mailed to our office; OR  
by Wire Transfer - to Goodmans account:**

**Canadian \$ General Account**

<u>Beneficiary Bank:</u>	TD Canada Trust 394 Bay Street Toronto, ON M5H 2Y3
<u>Swift Code:</u>	TDOMCATTOR
<u>Beneficiary:</u>	Goodmans LLP 333 Bay Street, Suite 3400 Toronto, ON M5H 2S7
<u>Beneficiary Bank:</u>	0004
<u>Beneficiary Transit:</u>	12162
<u>Beneficiary Account:</u>	0552488
<u>Payment Details:</u>	Re: Matter # 221020, Invoice # 780236 (Please include all invoice numbers)

***\*\*Please also email Wire Payment Details to: [collections@goodmans.ca](mailto:collections@goodmans.ca)***



Barristers & Solicitors

Bay Adelaide Centre  
333 Bay Street, Suite 3400  
Toronto, Ontario M5H 2S7

Telephone: 416.979.2211  
Facsimile: 416.979.1234  
goodmans.ca

GST Registration Number R119422962

8586985 Canada Corporation  
c/o KSV Restructuring Inc.  
2308 -150 King St W  
P.O. Box 42  
Toronto, ON M5H 2R2 Canada

August 10, 2022

Our File No. KSVR 221020  
Invoice No. 781489

Attention: Noah Goldstein

**Re: Project Clue**

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To our professional services rendered in connection with the above noted matter:

Date	TKID	Hours	Description
06/30/22	ACH	2.50	[REDACTED] drafting email to C. Armstrong re: same; reviewing security agreement re: comments from finance; drafting responding email and revising security agreement.
06/30/22	BCA	0.10	Reviewing and revising review of Bridging security.
06/30/22	CAG	0.30	Emails with D. Dedic/A. Harmes re: revisions to MJar security review; [REDACTED]
06/30/22	DDC	1.50	Reviewing Goodmans security review memo; correspondence re: same; [REDACTED]
07/04/22	ACH	0.60	Reviewing email from M. Tallat re: [REDACTED] telephone call with M. Tallat re: same; drafting email re: [REDACTED] email to court re: scheduling request.
07/04/22	CAG	0.30	Attending to matters re: [REDACTED]
07/05/22	CAG	0.30	[REDACTED] and emails with Monitor re: same.
07/06/22	BCA	2.40	[REDACTED]
07/07/22	ACH	6.00	[REDACTED] drafting overview memorandum re: same; reviewing various emails re: [REDACTED]
07/07/22	CAG	1.50	Discussion with Monitor and company re: [REDACTED] review and comment on draft letter re: [REDACTED]

Date	TKID	Hours	Description
			[REDACTED]
07/07/22	DDC	0.20	Discussion with A. Harmes re: [REDACTED]
07/07/22	JMC	0.40	[REDACTED]
07/08/22	ACH	3.00	[REDACTED]
07/08/22	CAG	0.70	[REDACTED] telephone call with M. Starnino re: employee compensation matters.
07/08/22	JMC	0.40	Review employment matters.
07/09/22	ACH	1.00	[REDACTED]
07/09/22	BCA	1.50	[REDACTED]
07/10/22	BCA	2.00	[REDACTED]
07/10/22	CAG	1.60	[REDACTED]
07/11/22	ACH	4.50	Email to KSV re: court scheduling; reviewing and revising security review re: [REDACTED] drafting email to KSV re: security review; [REDACTED] reviewing and revising letter re: same; [REDACTED]
07/11/22	CAG	2.50	Review and comment on revised security review and interoffice conference with A. Harmes and D. Dedic re: same; [REDACTED]
07/11/22	DDC	0.20	Discussion with C. Armstrong and A. Harmes re: security review and [REDACTED] matters.
07/11/22	JMC	0.50	Review employment matters.
07/12/22	ACH	3.20	[REDACTED] drafting response re: same.
07/12/22	CAG	1.60	[REDACTED] telephone call with client, CRO and S. Zweig re: [REDACTED]
07/12/22	JMC	0.30	Review correspondence.
07/13/22	ACH	4.00	Reviewing Brampton lease re: request from landlord to subordinate to new financing; reviewing documentation, discussing and drafting email to K. Herlin; telephone calls and discussions with K. Herlin and C. Armstrong re: same;

Date	TKID	Hours	Description
			drafting email to KSV and H. Steinberg re: lease considerations; drafting email to TGF and PwC re: subordination request.
07/13/22	CAG	0.50	Considering issues re: landlord estoppel and interoffice conference with K. Herlin and A. Harmes re: same.
07/13/22	KEH	1.10	Receipt of materials from A. Harmes; briefly review lease materials; call with A. Harmes to discuss same; subsequent call with A. Harmes and C. Armstrong to discuss issues and in particular, involvement of freehold mortgagee; discuss circulating email to client; subsequent exchange of emails with working group re same.
07/14/22	ACH	1.00	Email correspondence with M. Tallat re: [REDACTED] and response re: same.
07/14/22	KEH	1.50	Call with A. Harmes and revise non-disturbance agreement.
07/15/22	KEH	0.40	Revise non-disturbance agreement; receipt of client email..4
07/16/22	KEH	0.70	Receipt of client email and revise non-disturbance agreement and circulate redraft to working group for internal review.
07/18/22	ACH	3.80	Reviewing and revising non-disturbance, subordination and postponement agreement; teleconference with PwC, TGF and KSV re: same; discussing with C. Armstrong and K. Herlin.
07/18/22	CAG	0.90	Review and comment on landlord subordination and non-disturbance agreement and videoconference with company, monitor, PwC and TGF re: same.
07/18/22	KEH	2.10	Trade emails with A Harmes including his NDA comments; revise NDA and circulate redraft internally; participate in conference call to discuss same with tenant and tenant lender and revise agreement further for internal review; receive insolvency comments, review and revise agreement further and circulate internally.
07/19/22	ACH	1.50	Reviewing and revising non-disturbance, subordination and postponement agreement; telephone call with K. Herlin re: same; reviewing and revising draft email re: same; [REDACTED]
07/19/22	BCA	0.60	[REDACTED]
07/19/22	CAG	0.20	Attending to matters re: landlord issues [REDACTED]
07/19/22	KEH	1.40	Call with A. Harmes; review and revise non-disturbance agreement and send revised non-disturbance agreement and issues list to working group, receive comments and revise non-disturbance agreement accordingly.
07/20/22	ACH	1.00	Drafting order re: distribution and amendment to the Amended and Restated Initial Order.
07/20/22	BCA	0.30	[REDACTED]
07/20/22	CAG	0.30	Emails re: court motion for approval of Bridging distribution and change to de minimus asset sale provisions and coordinating with A. Harmes re: drafting of court materials.
07/20/22	KEH	0.50	Exchange emails with H. Steinberg with respect to non-disturbance agreement; review and revise non-disturbance agreement and provide redraft to working group for their consideration.



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Our File No. KSVR 221020

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August 10, 2022

Date	TKID	Hours	Description
07/21/22	ACH	3.20	Drafting order re: distribution approval and amendment to the amended and restated initial order; reviewing and revising same; [REDACTED] email correspondence with the Court re: scheduling hearing.
07/21/22	BCA	2.50	Preparing hearing request form; preparing notice of motion.
07/21/22	CAG	0.50	Review and comment on AMI dividend distribution order and ARIO amendment and considering issues re: same.
07/21/22	KEH	0.90	Exchange emails with client and with representatives and solicitor for Price Waterhouse Coopers; review and revise non-disturbance agreement and circulate blacklined redraft to working group. Receive approval to send to lender from H Steinberg,
07/22/22	ACH	4.50	[REDACTED] drafting email re: same; reviewing and revising draft notice of motion re: distribution approval and amendment to the Amended and Restated Initial Order.
07/22/22	KEH	0.50	[REDACTED]
07/24/22	ACH	1.20	Reviewing and revising draft notice of motion re: distribution approval and amendment to the Amended and Restated Initial Order.
07/25/22	ACH	1.50	Reviewing and revising notice of motion and order re: distribution approval and amendment order; drafting email to KSV re: same.
07/25/22	BCA	0.30	Reviewing Notice of Motion for August 10th motion.
07/25/22	CAG	0.50	Review and comment on draft Notice of Motion re: AMI distribution and amendment to ARIO.
07/25/22	KEH	0.50	Call with solicitor for lender with respect to non disturbance agreement; trade emails with him.
07/27/22	ACH	3.00	Telephone call with J. Wadden re: disclaimer; [REDACTED] drafting second report of the Monitor.
07/27/22	KEH	0.20	Email to working group reporting status of call with solicitor for lender's lawyer and non-disturbance agreement.
07/28/22	ACH	3.10	Drafting second report of the monitor re: distribution approval and amendment order; email to TGF and PwC re: same.
07/29/22	BCA	1.30	Preparing Notice of Motion and Order.

**Total Fees**

**\$63,377.50**

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August 10, 2022

**Summary of Professional Fees**

TKID	Timekeeper	Billed Hours	Billed Rate	Billed Amount
CAG	Armstrong, Chris	11.70	870.00	10,179.00
ACH	Harmes, Andrew	48.60	695.00	33,777.00
JMC	Conforti, Joe	1.60	1,110.00	1,776.00
KEH	Herlin, Ken	9.80	1,055.00	10,339.00
DDC	Dedic, Dan	1.90	835.00	1,586.50
BCA	Caldwell, Brennan	11.00	520.00	5,720.00
<b>Total Fees</b>				<b>\$63,377.50</b>

Total Fees On This Invoice	\$63,377.50
ON HST @ 13.0%	\$8,239.08
<b>Total On This Invoice (CAD)</b>	<b>\$71,616.58</b>

THIS IS OUR ACCOUNT HEREIN  
GOODMANS LLP

E. & O. E.  
CAG /

This invoice may not reflect all time and disbursements incurred on this matter to date. It is payable upon receipt and in accordance with Section 33 of the Solicitors Act (Ontario), interest will be charged at the rate of 1.50% per annum on unpaid fees, charges or disbursements calculated one month from the date this invoice is delivered.

Invoice No. 781489  
Our File No. KSVR 221020

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August 10, 2022

**Remittance information:**

**CAD Electronic Wire Payment or EFT (not e-Transfer):**

Beneficiary Bank: TD Canada Trust, 394 Bay Street, Toronto, ON M5H 2Y3  
Beneficiary Account Name: Goodmans LLP  
Beneficiary Address: 333 Bay Street, Suite 3400, Toronto, Ontario M5H 2S7  
Bank ID (for wire payments): 004 Bank ID (for EFT payments): 0004  
Transit: 12162 Swift code: TDOMCATTOR  
CAD account: 0552488

**USD Electronic Wire Payment:**

Intermediary Bank: Bank of America, New York, NY, USA  
ABA: 026009593 Swift code: BOFAUS3NXXX  
Beneficiary Bank: TD Canada Trust, 394 Bay Street, Toronto, ON M5H 2Y3  
Beneficiary Account name: Goodmans LLP  
Beneficiary Address: 333 Bay Street, Suite 3400, Toronto, Ontario M5H 2S7  
Bank ID (for wire payments): 004 Transit: 12162  
USD account: 7359751


*Email payment details, including invoice #, matter # and amount paid, to: [collections@goodmans.ca](mailto:collections@goodmans.ca)*

**Cheques or Bank draft payable to:** Goodmans LLP

**Send to:** Goodmans LLP, 333 Bay Street, Suite 3400, Toronto, Ontario M5H 2S7

*Please enclose remittance copy including invoice #, matter # and amount paid.*

**THIS IS EXHIBIT "B"**  
**TO THE AFFIDAVIT OF CHRISTOPHER ARMSTRONG**  
**SWORN BEFORE ME THIS 23<sup>rd</sup> DAY OF AUGUST, 2022**

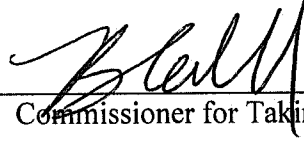
  
\_\_\_\_\_  
Commissioner for Taking Affidavits

**KSV Restructuring Inc.**  
**Summary of Goodmans LLP Accounts for the Applicable Period**

Date of Account	Billing Period	Fees	Costs	Taxes	Total
June 30, 2022	May 30, 2022 to June 29, 2022	116,994.50	940.99	15,331.62	133,267.11
August 10, 2022	June 30, 2022 to July 29, 2022	63,377.50	-	8,239.08	71,616.58
TOTAL		\$180,372.00	\$940.99	\$23,570.70	\$204,883.69



**THIS IS EXHIBIT "C"**  
**TO THE AFFIDAVIT OF CHRISTOPHER ARMSTRONG**  
**SWORN BEFORE ME THIS 23<sup>rd</sup> DAY OF AUGUST, 2022**



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Commissioner for Taking Affidavits

**KSV Restructuring Inc.**  
**Summary of Activity by Goodmans LLP Professionals**

Professional	Year of Call	Hourly Rate	Total Hours
Andrew Harmes	2017	\$695.00	120.7
Christopher Armstrong	2008	\$870.00	59.9
Brennan Caldwell	2021	\$520.00	53.9
Ken Herlin	1990	\$1,055.00	9.8
Joe Conforti	1987	\$1,110.00	3.2
Dan Dedic	2010	\$835.00	2.1
Amanda Bunting	Law Clerk	\$300.00	1.6
Lisa Nicoletta	Law Clerk	\$550.00	0.4
<b>Total Hours</b>			<b>251.6</b>

Average Hourly Rate (\$ Billed / Hours Billed)	\$716.90
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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

Court File No.: CV-22-00682101-00CL

**ONTARIO**

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

Proceeding commenced at Toronto

**AFFIDAVIT OF CHRISTOPHER  
ARMSTRONG**

**(Sworn August 23, 2022)**

**GOODMANS LLP**

Barristers & Solicitors  
333 Bay Street, Suite 3400  
Toronto, Canada M5H 2S7

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Fax: (416) 979-1234

Lawyers for KSV Restructuring Inc., in its capacity  
as court-appointed Monitor

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

Court File No: CV-22-00682101-00CL

**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**

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

Proceeding commenced at Toronto

**THIRD REPORT OF THE MONITOR**  
**DATED AUGUST 23, 2022**

**GOODMANS LLP**

Barristers & Solicitors  
333 Bay Street, Suite 3400  
Toronto, Canada M5H 2S7

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