

Endorsement of Madam Justice Dietrich dated June 30, 2021

From: Dietrich, Madam Justice Bernadette (SCJ)

Sent: June 30, 2021 9:58 PM

To: Ben Muller <BMuller@stikeman.com>; zweigs@bennettjones.com; Joshua Foster <FosterJ@bennettjones.com>; Ashley Taylor <ATAYLOR@stikeman.com>; asoutter@tgf.ca

Cc: JUS-G-MAG-CSD-Toronto-SCJ Commercial List; Anissimova, Alsou (MAG) Pera, Jonathan (JUD); Bobby Kofman <bkofman@ksvadvisory.com>; Mitch Vininsky <mvininsky@ksvadvisory.com>

Subject: RE: Re Guardian Financial Corp. et al. (CV-20-00646507-00CL)

A hearing was held in the above-noted matter via videoconference today.

The counsel in attendance were those whose names appear on the attached Counsel Slip.

Endorsement

The applicants bring this motion for an order: a) extending the stay period to and including September 30, 2021; b) terminating and discharging the CCAA proceedings with respect to RGN British Columbia XXIV Limited Partnership and its general partner RGN British Columbia XXIV GP Inc.; and c) sealing a confidential exhibit of an affidavit of James S. Feltman sworn June 21, 2021.

The foregoing relief should be granted for the reasons that follow.

The stay is appropriate because the restructuring of the CCAA debtors in this matter is intertwined with the restructuring of the Guarantor debtors, and the CCAA proceedings are intertwined with the Chapter 11 proceedings in the U.S. The stay was extended to June 30, 2021 to align with key milestones in the Chapter 11 proceedings. Those milestones have since been extended and the “Effective Date” of the plan of reorganization is now July 30, 2021 and it is expected that the plan would be implemented on August 27, 2021. It is appropriate that the CCAA proceedings continue to advance in step with the Chapter 11 proceedings.

Further, based on the record and the submissions of counsel, the applicants (debtors and affiliates) are continuing to act in good faith and with due diligence. Progress continues on their lease reviews and they have successfully negotiated a number of additional lease amendments and have also reached a number of agreements in principle. There is sufficient cash flow to pay expenses including rent. No creditors are expected to suffer material prejudice as a result of extending the stay period.

The termination and discharge of the CCAA proceedings with respect to RGN British Columbia XXIV Limited Partnership, and its general partner, RGN British Columbia XXIV GP Inc. are appropriate because they are no longer necessary. The Limited Partnership successfully negotiated a lease amendment agreement with its landlord, and subject to certain payments, the lease will be in good standing.

The monitor supports the motion. There is no opposition to the motion.

The applicant seeks a sealing order with respect to a confidential exhibit. I am satisfied that the *Sierra Club* test, as recast recently by the Supreme Court of Canada in *Sherman Estate v. Donovan*, has been met for this material, which contains commercially sensitive information respect lease negotiations. The Supreme Court of Canada recognized that commercial interests such as preserving confidential information or avoiding a breach of a confidentiality agreement are an “important public interest” for

the purposes of this test. **On the resumption of regular court operations, it will be the responsibility of counsel for the applicants to ensure that the subject materials are properly identified and protected under seal in the court.**

An Order shall issue in the form of the draft attached hereto and signed by me. The order is effective as of today's date and it does not need to be entered.

A handwritten signature in black ink that reads "Dietrich J." in a cursive style.

Dietrich J.
Superior Court of Justice (Toronto)
June 30, 2021