Court File No. CL-26-00000039-0000

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 AYURCANN HOLDINGS CORP. and AYURCANN HOLDING CORP. (collectively the "**Applicants**" and each an "**Applicant**")

FACTUM OF THE MONITOR
(Distribution and Stay Extension Order)

August 22, 2026

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PART I – OVERVIEW[1]

1. This factum is filed in support of a motion by Alvarez & Marsal Canada Inc. ("**A&M**") in its capacity as the Monitor of Ayurcann Holdings Corp. ("**Ayurcann Parent**") and Ayurcann Holding Corp. ("**Residual Co**" and together with Ayurcann Parent, the "**Applicants**") for an order (the "**Distribution and Stay Extension Order**"), among other things:[2]

(a) approving the proposed distribution methodology described in the Fifth Report (the "**Proposed Distribution Methodology**"), and authorizing and empowering the Monitor to make one or more cash distributions to each of the Applicants' unsecured creditors (the "**Unsecured Creditors**") holding proven claims (the "**Proven Claims**") on a *pro rata*, *pari passu* basis in accordance with the Proposed Distribution Methodology;

(b) substantively consolidating the estates of the Applicants into a single consolidated estate for the purposes of making distributions to the Unsecured Creditors and for the remaining administration and wind-down of these CCAA Proceedings; and

(c) extending the Stay Period until and including March 5, 2027.

PART II – FACTS

2. The facts regarding this motion are more fully set out in the Fifth Report of the Monitor dated August 19, 2026 ("**Fifth Report**").

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[1] Capitalized terms used herein and not otherwise defined have the meanings given to them in the Fifth Report of the Monitor dated August 19, 2026 ["**Fifth Report**"].
[2] *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 ["***CCAA***"].

A. The CCAA Proceedings

3. On January 30, 2026, Ayurcann Inc. and Ayurcann Parent (together with Ayurcann Inc., the "**Initial Applicants**") obtained the Initial Order, which, among other things, appointed A&M as the Monitor and granted a stay of proceedings (the "**Stay Period**").[3] On February 9, 2026, the Court granted an amended and restated initial order (the "**ARIO**"), which, among other things, extended the Stay Period.[4]

4. The Monitor, with the assistance of the Initial Applicants, conducted a Court-approved stalking horse sale process in respect of the company's business and assets (the "**Sale Process**"). The Sale Process culminated in the Initial Applicants entering into an agreement of purchase and sale with Emblem Cannabis Corporation (the "**Purchaser**") dated as of March 31, 2026 (the "**Purchase Agreement**").[5]

5. On April 28, 2026, the Court granted an approval and reverse vesting order (the "**ARVO**"), which, among other things:

(a) approved the Purchase Agreement and authorized the Initial Applicants and the Monitor to take such steps and actions to complete the transactions contemplated therein (the "**Emblem Transaction**");

(b) provided that, upon closing of the Emblem Transaction: (i) Ayurcann Inc. was removed as an applicant in the CCAA Proceedings; (ii) Residual Co was added as an applicant in the CCAA Proceedings; and (iii) all Excluded Assets, Excluded Contracts, and Excluded Liabilities (each as defined in the ARVO) were vested in Residual Co in accordance with the closing sequence set out in the ARVO;

[3] Fifth Report at paras 1.1-1.2.
[4] Fifth Report at para 1.4.
[5] Fifth Report at para 1.5.

(c) granted certain releases in favour of certain Released Parties (as defined in the ARVO);

(d) authorized and empowered the Monitor, upon delivery of a certificate of the Monitor, to exercise expanded powers in respect of Residual Co; and

(e) extended the Stay Period until and including June 30, 2026.[6]

6. On June 1, 2026, the Court granted:

(a) the third amended and restated initial order (the "**Third ARIO**"), which, among other things, extended the Stay Period up to and including August 31, 2026; and

(b) an order (the "**Claims Procedure Order**"), which, among other things, established a procedure for the identification and quantification of certain claims against the Applicants (the "**Claims Procedure**"), and authorized, directed, and empowered the Applicants and the Monitor to take such actions as are contemplated by the Claims Procedure Order.[7]

B. Update on the Emblem Transaction

7. The Emblem Transaction closed on June 5, 2026.[8]

8. The amounts received by the Monitor upon the closing of the Emblem Transaction are currently being held by the Monitor in an interest-bearing account.[9]

9. The Monitor anticipates that a portion of the cash balance from the Emblem Transaction will be required to fund professional fees and other costs associated with the CCAA Proceedings,

[6] Fifth Report at para 1.6.
[7] Fifth Report at para 1.7.
[8] Fifth Report at para 4.1.
[9] Fifth Report at para 4.6.

with the remaining balance being distributed to Unsecured Creditors holding Proven Claims (the "**Available Cash Pool**").[10]

C. The Proposed Distribution

10. On June 1, 2026, the Court granted the Claims Procedure Order, which, among other things, established the Claims Procedure, pursuant to which Unsecured Creditors were able to file claims against the Applicants.[11] All applicable Bar Dates associated with the Claims Procedure for claims submitted to date have passed.[12]

11. As set out above, the Available Cash Pool is available for distribution to the Unsecured Creditors holding Proven Claims.[13] The Monitor seeks to make one or more cash distributions from the Available Cash Pool to each of the Applicants' Unsecured Creditors holding a Proven Claim.[14]

12. The proposed distributions will be made on a *pro rata*, *pari passu* basis, in accordance with the Proposed Distribution Methodology, pursuant to which each Unsecured Creditor holding a Proven Claim will receive a *pro rata* distribution up to the maximum amount of its Proven Claim.[15]

13. The claims of persons who were required to assert a Proven Claim in accordance with the Claims Procedure, but did not do so, will be extinguished.[16]

[10] Fifth Report at para 4.8.
[11] Fifth Report at para 1.7.
[12] Fifth Report at para 5.4.
[13] Fifth Report at para 4.8.
[14] Fifth report at para 7.1.
[15] Fifth Report at para 7.1-7.2.
[16] Fifth Report at para 7.2.

D. Substantive Consolidation

14. In order to efficiently administer the Claims and make distributions in these CCAA Proceedings, the Monitor is requesting an order that, if granted, will substantively consolidate the estates of Ayurcann Parent and Residual Co.[17]

15. Before the closing of the Emblem Transaction, Ayurcann Inc. and Ayurcann Parent operated as an integrated corporate group. They used one centralized bank account and cash management process, with consolidated accounting and commingled cash, which was used to pay expenses and obligations of both entities. They shared facilities, telephone numbers, a website, other business infrastructure, employees, and a single payroll register. Ayurcann Parent acted as the public-company holding entity, and its financial reporting consolidated the financial statements of Ayurcann Inc. In some instances, supply agreements were entered into by Ayurcann Parent for goods and services supplied to Ayurcann Inc., and *vice versa*. Upon closing of the Emblem Transaction, the Excluded Liabilities of Ayurcann Inc. vested in Residual Co.[18]

PART III – ISSUES

16. The issues to be addressed on this motion are whether:

(a) the estates of the Applicants should be substantively consolidated into a single consolidated estate for the purposes of making distributions to the Unsecured Creditors and for the remaining administration and wind-down of these CCAA Proceedings;

(b) the Proposed Distribution Methodology should be approved, and the Monitor should be authorized and empowered to make one or more cash distributions to

[17] Fifth Report at para 6.1.
[18] Fifth Report at para 6.5.

each of the Unsecured Creditors of the Applicants holding a Proven Claim in accordance with the Proposed Distribution Methodology; and

(c) the Stay Period should be extended until and including March 5, 2027.

PART IV – LAW & ARGUMENT

A. Substantive Consolidation Should be Approved

(a) Jurisdiction to Grant Substantive Consolidation under the CCAA

17. This Court has broad equitable jurisdiction to grant substantive consolidation under the CCAA. While there is no express statutory provision for substantive consolidation in the CCAA, the power to grant such an order lies within the Court's inherent and equitable jurisdiction.[19]

18. Courts have also found jurisdiction to consolidate multiple proceedings pursuant to Rule 6.01 of the *Rules of Civil Procedure*.[20] This approach is consistent with the general principle under section 138 of the *Courts of Justice Act*, which dictates that, "as far as possible, multiplicity of legal proceedings are to be avoided" to preserve administrative and judicial resources.[21]

19. In a substantive consolidation, a number of affiliated legal entities, typically corporations, are treated as if they were one entity, resulting in the assets of the various debtors being pooled to create a common fund out of which claims of creditors of all the debtors are jointly satisfied.[22] "In effect, under substantive consolidation, claims of creditors against separate debtors instantly become claims against a single entity."[23]

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[19] *Nortel Networks Corporation (Re)*, 2015 ONSC 2987 ["***Nortel 2015***"] at para 216.
[20] *Rules of Civil Procedure*, RRO 1990, Reg 194, r. 6.01.
[21] *Courts of Justice Act*, RSO 1990, c C.43, s 138.
[22] *Redstone Investment Corporation (Re)*, 2016 ONSC 4453 ["***Redstone***"] at para 7.
[23] *Nortel 2015* at para 213.

20. It is well-established that substantive consolidation is an equitable remedy, the primary aim of which is to ensure the fair and rateable treatment of creditors by pooling assets and liabilities.[24] As Justice Farley held in *Re PSINet Ltd.*, because consolidation by its very nature will benefit some creditors and prejudice others, the Court must look to the overall general effect and equity of the consolidation rather than focusing solely on individual positions.[25]

(i) The Legal Test for Substantive Consolidation

21. In *Re Redstone Investment Corp.*, the Court summarized the general principles governing substantive consolidation under Canadian jurisprudence as follows:

(a) are the elements of consolidation present, such as the intertwining of corporate functions and other commonalities across the group?

(b) do the benefits of consolidation outweigh the prejudice to particular creditors?

(c) is consolidation fair and reasonable in the circumstances?[26]

22. The "elements of consolidation" referenced in the first prong of the *Redstone* test are adopted from the decision in *Re Northland Properties Ltd.* and include:

(a) difficulty in segregating assets;

(b) presence of consolidated financial statements;

(c) profitability of consolidation at a single location;

(d) co-mingling of assets and business functions;

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[24] *Redstone* at para 50.
[25] *PSINet Ltd., Re*, 2002 CanLII 49587 (ON SC) ["***PSINet***"] at para 11. **See also** *Nortel 2015* at para 219; *Redstone Investment Corporation*, 2016 ONSC 513 at para 13.
[26] *Redstone* at para 78.

(e) unity of interests in ownership;

(f) existence of intercorporate loan guarantees; and

(g) transfer of assets without observing corporate formalities.[27]

23. In applying this test, the Court must balance the economic prejudice to creditors resulting from continued corporate separateness against the economic prejudice caused by the consolidation. While administrative expediency is an appropriate consideration, substantive consolidation is an extraordinary remedy that must not be ordered to the material prejudice or expense of a particular creditor who relied on corporate separateness.[28]

(ii) The Relevant Facts Support the Elements of Consolidation

24. The historical operations of Ayurcann Parent and Ayurcann Inc., whose Excluded Liabilities vested in Residual Co. on closing of the Emblem Transaction, demonstrate the level of operational and financial integration that supports substantive consolidation.[29]

25. Ayurcann Parent and Ayurcann Inc. operated as an integrated enterprise. They shared facilities, employees, and business infrastructure, and used centralized banking, cash-management, and accounting systems. Ayurcann Parent served as the public-company holding entity, and its public financial reporting consolidated the financial statements of Ayurcann Inc. The entities' cash was commingled and used to pay their respective expenses and obligations without

[27] *Northland Properties Ltd. Re* 1988 CanLII 2924 (BC SC), [1988] B.C.J. No. 1210, affirmed in *Northland Properties Ltd. v Excelsior Life Insurance Co. of Canada (B.C.C.A.)*, 1989 CanLII 2672 (BC CA), [1989] B.C.J. No. 63. **See also** *Ge Canada Finance Holding Company (Re)*, 2008 NBQB 144 at paras 33-34; *PSINet* at para 11; *Bacic v Millennium Educational & Research Charitable Foundation*, 2014 ONSC 5875 at para 113.
[28] *Ashely v Marlow Group Private Portfolio Management Inc.*, 2006 CanLII 31307 (ON SC) at para 75.
[29] Fifth Report at para 1.5.

consistent entity-specific allocation or observance of corporate formalities. Ayurcann Parent also guaranteed the DIP financing provided to Ayurcann Inc.[30]

26. The following facts support the relevant *Northland* factors adopted in *Redstone*:

(a) *Difficulty in Segregating Assets*. The Initial Applicants' commingled cash and integrated cash-management practices mean that their cash and related obligations cannot be reliably segregated on an entity-by-entity basis.

(b) *Presence of Consolidated Financial Statements*. Ayurcann Parent's public financial reporting consolidated the financial statements of Ayurcann Inc.

(c) *Shared Facilities and Infrastructure*. The entities shared facilities and business infrastructure, including telephone numbers, a website, and a single payroll register.

(d) *Co-mingling of Assets and Business Functions*. The entities shared employees, facilities, and business infrastructure, and used centralized banking, cash-management, and accounting systems. Cash was held in a single bank account and used to pay the expenses and obligations of both entities.

(e) *Unity of Interests in Ownership*. The entities shared common management and operated as a single corporate group, with Ayurcann Parent serving as the public-company holding entity.

(f) *Existence of Intercorporate Loan Guarantees*. Ayurcann Parent guaranteed the DIP financing provided to Ayurcann Inc.

[30] Fifth report at para 6.4.

(g) *Transfer of Assets Without Observing Corporate Formalities*. Cash was transferred and used between the entities without consistent entity-specific allocation, observance of corporate formalities, or cash-management policies. [31]

27. Accordingly, attempting to reconstruct and allocate historical cash movements and expenses would be time-consuming, costly, and uncertain, and would likely reduce the funds available for distribution to creditors.[32]

(iii) The Benefits of Consolidation Outweigh Any Potential Prejudice

28. The second and third factors of the *Redstone* test are also satisfied.

29. The claims filed in the Claims Procedure reflect the historical operation of the Initial Applicants as an integrated enterprise. Of the 28 Proofs of Claim totalling approximately $19.6 million, 11 Proofs of Claim, totalling approximately $6.6 million, were asserted against Ayurcann Parent, and 17 Proofs of Claim, totalling approximately $13.0 million, were asserted against Ayurcann Inc.[33] Ayurcann Inc.'s Excluded Liabilities vested in Residual Co. upon closing of the Emblem Transaction.[34] Maintaining separate estates would artificially separate these claims and fail to reflect the economic reality that these entities operated as an integrated enterprise.

30. Separate administration would require the Monitor to allocate available cash, historical cash movements, professional costs, and other administration expenses between the Applicants, notwithstanding the historical manner in which the Initial Applicants operated and managed cash. That exercise would not produce a reliable result and would not be proportionate to the funds available for distribution.[35]

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[31] Fifth report at paras 6.4.
[32] Fifth Report at paras 6.5-6.6.
[33] Fifth Report at para 5.10.
[34] Fifth Report at para 1.6.
[35] Fifth Report at paras 6.5-6.6.

31. The Monitor's illustrative analysis indicates that substantive consolidation would result in estimated recoveries of approximately 13.0% to 17.1% for creditors with Proven Claims. In a non-consolidated scenario, creditors of Ayurcann Parent are estimated to recover approximately 1.5% to 3.8%, while creditors of Ayurcann Inc. are estimated to recover approximately 18.8% to 20.0%.[36] Although creditors of Ayurcann Inc. are expected to receive lower recoveries on a consolidated basis, when considered alongside the material increase in recovery available to creditors of Ayurcann Parent, consolidation produces an overall benefit to the Applicants' creditor body.[37]

32. Substantive consolidation will therefore permit an efficient administration of the estates, avoid an unreliable and disproportionately costly allocation exercise, and enable distributions from the Available Cash Pool to all Unsecured Creditors holding Proven Claims.[38]

33. Courts have approved substantive consolidation where the assets and liabilities of related entities are so intertwined that consolidation gives effect to their economic reality and permits an efficient administration of the estates. In *Ornge Global*, for example, the Court approved substantive consolidation where the trustee held the assets of both estates and no creditor was likely to be prejudiced. The Court also recognized that consolidation would avoid unnecessary duplication in the estates' administration.[39] Similarly, the proposed consolidation here gives effect to the Applicants' integrated operations and avoids a costly and unreliable effort to allocate commingled cash, liabilities and administration costs between them.

34. Consolidating the estates of Ayurcann Parent and Residual Co. is fair and reasonable in the circumstances. Substantive consolidation will permit the Monitor to administer Claims and

[36] Fifth Report at para 5.12.
[37] Fifth Report at paras 6.5-6.7.
[38] Fifth Report at para 6.7.
[39] *Re Ornge Global GP Inc*, 2013 ONSC 4518 at para 14.

make distributions efficiently, avoids an unreliable and costly attempt to allocate commingled cash and obligations, and provides an overall benefit to the Applicants' creditor body.[40]

35. The Monitor respectfully requests that this Honourable Court grant an order substantively consolidating the estates of Ayurcann Parent and Residual Co. into a single consolidated estate for all purposes, including administering Claims, making distributions in respect of Proven Claims from the consolidated assets of that estate, and carrying out the Monitor's duties in these CCAA Proceedings.

B. The Distributions and the Proposed Distribution Methodology Should be Approved

36. Section 11 of the CCAA grants the Court broad discretionary powers to make any order it considers appropriate in the circumstances, including the power to authorize interim distributions.[41]

37. It is well established that the Court has authority to approve distributions to creditors outside of a CCAA plan. In *Nortel*, the Court stated:

> "I see no difference between an interim distribution, as in the case of *AbitibiBowater*, or a final distribution, as in the case of *Timminco*, or a distribution to an unsecured or secured creditor, so far as a jurisdiction to make the order is concerned without any plan of arrangement."[42]

38. CCAA courts have approved interim distributions to unsecured creditors that have proven their claims in a claims process.[43] In determining whether to approve an interim distribution,

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[40] Fifth Report at paras 6.5-6.9.
[41] *CCAA*, s 11; *AbitibiBowater inc. (Arrangement relatif à),* 2009 QCCS 6461 at para 71; **see also** *Nortel Networks Corporation et al (Re)*, 2014 ONSC 4777 ["***Nortel 2014***"] at para 58.
[42] Nortel 2014 at para 58.
[43] *Carillion Canada Inc. et. al. (Re)*, (August 4, 2021), Ont S.C.J. [Commercial List], Court File No. CV-18-590812-00CL (Interim Distribution Order); *FIGR Brands et al. (Re)*, (February 2, 2022), Ont S.C.J. [Commercial List], Court File No. CV-21- 00655373-00CL (Order re Stay Extension, Distribution, WEPPA and Fee Approval) at paras 5-10.

Courts have considered whether the order sought provides for fair and efficient distributions, and whether sufficient reserves will be maintained following such distributions.[44]

39. It is reasonable and appropriate for the Court to approve the Proposed Distribution Methodology and to authorize the Monitor to make one or more cash distributions to each of the Unsecured Creditors of the Applicants holding a Proven Claim in accordance with the Proposed Distribution Methodology. The Proposed Distribution Methodology provides for the equal treatment of all Unsecured Creditors, each of whom will receive a *pro rata* distribution from the Available Cash Pool.[45]

40. Additionally, the Proposed Distribution Methodology and the Distribution and Stay Extension Order authorize the Monitor, on behalf of the Applicants, to establish and maintain a reserve from the funds held by the Monitor on behalf of the Applicants and distributable to Unsecured Creditors (the "**Administrative Reserve**"). The Administrative Reserve (which is currently estimated to be $250,000) will be used to pay all remaining professional fees and disbursements of counsel to the Applicants, the Monitor and counsel to the Monitor in respect of these CCAA Proceedings, holdback amounts reserved for Unresolved Claims, and other costs associated with completion of the wind-down of these CCAA Proceedings.[46]

41. The proposed Distribution and Stay Extension Order further protects the Monitor in carrying out the distributions. It provides that the Monitor will have the protections afforded to it as an officer of the Court, will not incur liability for carrying out its duties under the order absent gross negligence or wilful misconduct, and will not incur liability under specified federal, provincial, or territorial tax statutes for facilitating the authorized distributions. The proposed Distribution and

[44] *Carillion Canada Inc. et. al. (Re)*, (August 4, 2021), Ont S.C.J. [Commercial List], Court File No. CV-18-590812-00CL (Endorsement of Justice Dietrich) at p 2; *FIGR Brands et al. (Re)*, (February 2, 2022), Ont S.C.J. [Commercial List], Court File No. CV-21- 00655373-00CL (Endorsement of Justice McEwen) at 2.
[45] Fifth Report at paras 7.1-7.2; *Nortel Networks Corporation (Re)*, 2015 ONCA 681 at paras 23-24.
[46] Fifth Report at para 7.2.

Stay Extension Order provides that each recipient remains solely responsible for its own tax obligations arising from a distribution.

42. The Monitor submits that the proposed distributions are in the best interest of the Applicants and their stakeholders and should be approved. The proposed distributions provide for a fair and efficient distribution of the Available Cash Pool, maintain an appropriately sized Administrative Reserve for future expenses, and will facilitate the timely wind-down of the Applicants' estates and the termination of these CCAA Proceedings.[47]

C. The Stay Period Should be Extended

43. Pursuant to section 11.02 of the CCAA, the Court may grant an extension of a stay of proceedings where: (a) circumstances exist that make the order appropriate; and (b) the debtor company satisfies the Court that it has acted, and is acting, in good faith and with due diligence.[48] There is no statutory time limit on how long a stay of proceedings can be extended.

44. The Stay Period currently expires on August 31, 2026.

45. The Monitor seeks an extension of the Stay Period to and including March 5, 2027 for the following reasons:

(a) the extended Stay Period will provide the necessary time for the Monitor and the Applicants to continue the ongoing review of the Unresolved Claims and make the proposed distributions;

(b) the extended Stay Period is required to provide the necessary stability and certainty to enable the Monitor to facilitate the wind-down of the CCAA

[47] Fifth Report at paras 7.6-7.7.
[48] *CCAA*, s 11.02.

Proceedings, including through the outside maturity date of the Transition Services Agreement;

(c) the Administrative Reserve and other amounts held from the available Cash Pool are expected to provide sufficient liquidity to fund the remaining costs anticipated during the wind-down of the CCAA Proceedings (and any related wind-down proceedings such as formal bankruptcies);

(d) the Applicants, with the assistance and oversight of the Monitor, continue to act, in good faith and with due diligence; and

(e) the Monitor does not believe that any creditor will be materially prejudiced by the extended Stay.[49]

46. Based on the foregoing, the Monitor submits that the Stay Period should be extended to and including March 5, 2027.

PART V – RELIEF REQUESTED

47. Based on the foregoing, the Monitor respectfully requests that this Court grant the proposed form of Distribution and Stay Extension Order found at Tab 3 of the Monitor's Motion Record.

PURSUANT TO RULE 4.06.1(2.1), THE UNDERSIGNED certifies that they are satisfied as to the authenticity of every authority cited in this factum.



[49] Fifth Report at para 9.1.

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 22ND DAY OF AUGUST, 2026



RECONSTRUCT LLP

SCHEDULE "A"

List of Authorities

1. *Nortel Networks Corporation (Re)*, 2015 ONSC 2987

2. *Redstone Investment Corporation (Re)*, 2016 ONSC 4453

3. *PSINet Ltd., Re*, 2002 CanLII 49587 (ON SC)

4. *Redstone Investment Corporation*, 2016 ONSC 513

5. *Northland Properties Ltd. Re* 1988 CanLII 2924 (BC SC), [1988] B.C.J. No. 1210

6. *Northland Properties Ltd. v Excelsior Life Insurance Co. of Canada (B.C.C.A.)*, 1989 CanLII 2672 (BC CA), [1989] B.C.J. No. 63

7. *Ge Canada Finance Holding Company (Re)*, 2008 NBQB 144.

8. *Bacic v Millennium Educational & Research Charitable Foundation*, 2014 ONSC 5875

9. *Ashely v Marlow Group Private Portfolio Management Inc.*, 2006 CanLII 31307 (ON SC).

10. *Ornge Global GP Inc. (Re)*, 2013 ONSC 4518.

11. *AbitibiBowater inc. (Arrangement relatif à),* 2009 QCCS 6461.

12. *Nortel Networks Corporation et al (Re)*, 2014 ONSC 4777.

13. *Carillion Canada Inc. et. al. (Re)*, (August 4, 2021), Ont S.C.J. [Commercial List], Court File No. CV-18-590812-00CL (Interim Distribution Order).

14. *FIGR Brands et al. (Re)*, (February 2, 2022), Ont S.C.J. [Commercial List], Court File No. CV-21- 00655373-00CL (Order re Stay Extension, Distribution, WEPPA and Fee Approval).

15. *Carillion Canada Inc. et. al. (Re)*, (August 4, 2021), Ont S.C.J. [Commercial List], Court File No. CV-18-590812-00CL (Endorsement of Justice Dietrich).

16. *FIGR Brands et al. (Re)*, (February 2, 2022), Ont S.C.J. [Commercial List], Court File No. CV-21- 00655373-00CL (Endorsement of Justice McEwen).

17. *Nortel Networks Corporation (Re)*, 2015 ONCA 681.

SCHEDULE "B"

Statutory Authorities

***Companies' Creditors Arrangement Act*, RSC 1985, c C-36**

General power of court

11 Despite anything in the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act*, if an application is made under this Act in respect of a debtor company, the court, on the application of any person interested in the matter, may, subject to the restrictions set out in this Act, on notice to any other person or without notice as it may see fit, make any order that it considers appropriate in the circumstances.

Stays, etc. — initial application

11.02 (1) A court may, on an initial application in respect of a debtor company, make an order on any terms that it may impose, effective for the period that the court considers necessary, which period may not be more than 10 days,

> **(a)** staying, until otherwise ordered by the court, all proceedings taken or that might be taken in respect of the company under the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act*;
>
> **(b)** restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and
>
> **(c)** prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

Stays, etc. — other than initial application

(2) A court may, on an application in respect of a debtor company other than an initial application, make an order, on any terms that it may impose,

> **(a)** staying, until otherwise ordered by the court, for any period that the court considers necessary, all proceedings taken or that might be taken in respect of the company under an Act referred to in paragraph (1)(a);
>
> **(b)** restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and
>
> **(c)** prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

Burden of proof on application

(3) The court shall not make the order unless

> **(a)** the applicant satisfies the court that circumstances exist that make the order appropriate; and

(b) in the case of an order under subsection (2), the applicant also satisfies the court that the applicant has acted, and is acting, in good faith and with due diligence.

Restriction

(4) Orders doing anything referred to in subsection (1) or (2) may only be made under this section.

Rules of Civil Procedure, RRO 1990, Reg 194

RULE 6 CONSOLIDATION OR HEARING TOGETHER

Where Order May Be Made

6.01 (1) Where two or more proceedings are pending in the court and it appears to the court that,

(a) they have a question of law or fact in common;

(b) the relief claimed in them arises out of the same transaction or occurrence or series of transactions or occurrences; or

(c) for any other reason an order ought to be made under this rule,

the court may order that,

(d) the proceedings be consolidated, or heard at the same time or one immediately after the other; or

(e) any of the proceedings be,

(i) stayed until after the determination of any other of them, or

(ii) asserted by way of counterclaim in any other of them.

(2) In the order, the court may give such directions as are just to avoid unnecessary costs or delay and, for that purpose, the court may dispense with service of a notice of listing for trial and abridge the time for placing an action on the trial list.

Courts of Justice Act, RSO 1990, c C.43

Multiplicity of proceedings

138 As far as possible, multiplicity of legal proceedings shall be avoided.

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Court File No. CL-26-00000039-0000

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 AYURCANN HOLDINGS CORP. AND AYURCANN HOLDING CORP.

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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