



stated. I have also reviewed the records and have spoken with certain of the directors, officers and/or employees of the Applicants, as necessary. Where I have relied upon such information, I do verily believe such information to be true.

3. This affidavit is sworn in support of an application (the "**Application**") returnable before the Alberta Court of King's Bench (Commercial List) (the "**Court**") on December 5, 2024, for the following relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"):

(a) an Order substantially in the form attached as **Schedule "B"** to the Application for the following relief:

- (i) abridging the time for serving and deeming service of the Application and supporting materials good and sufficient;
- (ii) extending the Stay Period, as defined in paragraph 14 of the Amended and Restated Initial Order granted in these proceedings by the Honourable Justice Jones on September 19, 2024 (the "**ARIO**"), up to and including February 25, 2025, or such other date as this Court may deem appropriate;
- (iii) directing the Clerk of the Court to issue a new Court action number for these CCAA proceedings (the "**CCAA Proceedings**") and granting the Applicants permission to re-file the following materials under the new Court action number:
  - (A) the originating application of the Applicants seeking the initial order (the "**Initial Order**") under the CCAA (the "**Originating Application**");
  - (B) the application seeking the ARIO;
  - (C) the Third Morrow Affidavit (as defined below);
  - (D) the Initial Order;
  - (E) the ARIO;
  - (F) the SISP Order (as defined below);
  - (G) the Claims Procedure Order (as defined below);
  - (H) the Application;
  - (I) this Affidavit;

- (J) the first report of the Monitor; and
  - (K) the second report of the Monitor; and
  - (iv) granting such further and other relief as counsel may request and this Honourable Court may deem just.
4. I previously swore two affidavits in the Applicants' previous NOI proceedings (the "**NOI Proceedings**") on June 19, 2024 (the "**First Morrow Affidavit**") and August 6, 2024 (the "**Second Morrow Affidavit**") and one affidavit in the CCAA Proceedings on September 10, 2024 (the "**Third Morrow Affidavit**").

**A. BACKGROUND**

5. On May 29, 2024, the Applicants filed Notices of Intention to Make a Proposal pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**"). On September 16, 2024, the Applicants filed an application under the CCAA seeking to convert the NOI Proceedings to the present CCAA Proceedings. Further information regarding the Applicants, the events leading to the NOI Proceedings and subsequently these CCAA Proceedings, and events occurring prior to September 10, 2024 (the date that I swore the Third Morrow Affidavit) is provided in the Third Morrow Affidavit, attached hereto (without exhibits) as **Exhibit "A"**.
6. On September 19, 2024, the Honourable Justice Jones granted the Applicants the following Orders:
- (a) the Initial Order, pursuant to which the NOI Proceedings were continued under the CCAA, KSV Restructuring Inc. was appointed as the Monitor (the "**Monitor**"), and an initial stay of proceedings until September 29, 2024 was granted (the "**Initial Stay**") (a copy of which is attached hereto as **Exhibit "B"**);
  - (b) the ARIO, pursuant to which the Initial Stay was extended to December 16, 2024 (the "**Stay Period**") (a copy of which is attached hereto as **Exhibit "C"**);
  - (c) an order approving the Sale and Investment Solicitation Process (the "**SISP**") proposed by the Applicants (the "**SISP Order**", a copy of which is attached hereto as **Exhibit "D"**); and
  - (d) an Order approving the claims process (the "**Claims Process**"), pursuant to which all claims against the Applicants were to be determined (the "**Claims Procedure Order**" and collectively with the Initial Order, the ARIO and the SISP Order, the "**CCAA Orders**"). A copy of the Claims Procedure Order is attached hereto as **Exhibit "E"**.

7. On October 9, 2024, the Applicants made an application before Justice Feasby of the Alberta Court of King's Bench, appealing a decision of Application Judge Farrington dated February 7, 2024 which granted summary judgment on a counterclaim by Tilray Inc. and High Park Shops Inc. (collectively, "**Tilray**"), a litigation party which is a contingent creditor in these CCAA Proceedings. On October 16, 2024, Justice Feasby released his decision, granting the Applicants' appeal. Tilray has filed an appeal of Justice Feasby's decision.

**B. THE SISP AND CLAIMS PROCESS**

8. Following approval by this Court of the SISP on September 19, 2024, the Applicants, in conjunction with the Monitor, commenced the SISP and the Claims Process. Pursuant to the Claims Procedure Order, the Claims Process deadline was October 20, 2024 and the Monitor is currently processing the results and reaching out to affected creditors.
9. Under the SISP Order approved by the Honourable Justice Jones, the following deadlines for key milestones were approved governing the conduct of the SISP:

<b>Milestone</b>	<b>Deadline</b>
Commencement Date (prepare data room and associated documents)	On or before September 27, 2024
Marketing Stage: Publication of Notice and Sending Teaser to Known Potential Buyers	On or before October 4, 2024
Completion of "Phase I" – interested parties to submit a non-binding letter of intent	November 15, 2024
Completion of "Phase II" – interested parties to submit a binding offer that meets at least the requirements set forth in the SISP	November 30, 2024
Selection of the highest or otherwise best bid(s) (the " <b>Successful Bid(s)</b> ")	December 6, 2024
Seek a Court order approving the Successful Bid(s)	As soon as practical
Close the transaction completed in the Successful Bid(s)	As soon as practical

10. The SISP is soliciting interest in, and opportunities for: (a) the purchase of some or all of the assets of the Applicants; (b) an investment in the Applicants; or (c) some combination thereof.

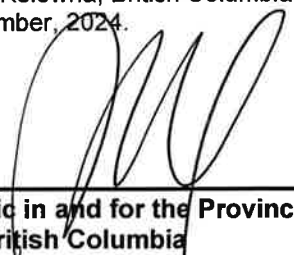
11. In accordance with the SISP, the Applicants worked with the Monitor to prepare the data room and associated documents, and the Monitor posted a teaser letter and SISP Order on the Monitor's website.
12. The Applicants have since received multiple non-binding letters of intent from interested parties (the "**Interested Parties**") and are in the process of working with the Monitor to determine which of the Interested Parties can advance to Phase II and be invited to submit a binding offer.
13. I understand from discussions with the Monitor that the Monitor has received detailed diligence requests from certain of the Interested Parties and that certain of the Interested Parties have requested that the Phase II deadline for submitting a binding offer be extended. The Applicants and Monitor are concerned that the current deadline of November 30, 2024 does not allow enough time to for Interested Parties complete all necessary due diligence, to select which Interested Parties can advance to Phase II, and solicit binding offers with definitive documentation from such parties.
14. Pursuant to paragraph 27 of the SISP approved by the Honourable Justice Jones, the Monitor has the authority to modify the dates in the SISP as deemed appropriate or necessary.
15. In consultation with the Monitor the Applicants believe that it is in the best interests of both the Applicants and all stakeholders that the deadlines to conduct the SISP be extended. Following discussions with the Monitor, I understand that, in order to address these concerns, the Monitor intends to extend the deadline for completion of Phase II to December 20, 2024 and the deadline for selection of the Successful Bid(s) to January 6, 2025 (the "**Revised Deadlines**"). The Applicants agree with and support the Revised Deadlines.
16. In light of these proposed Revised Deadlines to conduct the SISP, the Applicants believe that an extension of the Stay Period to February 25, 2025 is required to ensure that the SISP can be successfully completed. There are multiple offers that have been received from Interested Parties and the Applicants believe that it is in the best interests of both the Applicants and all other stakeholders that the Stay Period be extended to allow the requisite due diligence to be completed and to ensure that the best offers are able to proceed to Phase II.
17. I understand that the Monitor will provide further details of the conduct of the SISP in the Second Report of the Monitor, to be filed. I further understand that the Monitor supports the proposed extension of the Stay Period.
18. It is my belief that the Applicants have at all times been acting in good faith and with due diligence.

19. The Applicants currently have sufficient cash flow to continue operating and funding these CCAA Proceedings through to the end of the proposed extension of the Stay Period without the need for DIP lending.
20. If the Stay Period is not extended, the stay of proceedings under the CCAA will expire on December 16, 2024, which will terminate the Applicants' restructuring efforts, which have been ongoing for several months and are a critical point towards reaching a conclusion in the new year.

**C. CCAA PROCEEDINGS COURT ACTION NUMBER**

21. I understand from discussions with my counsel that when the Applicants sought to file their Originating Application to commence these CCAA Proceedings, they were advised by the Court Clerk to file the Originating Application under the Court action number for the NOI Proceedings.
22. It is my understanding that we require a new Court action number for these CCAA Proceedings.
23. I make this Affidavit in support of the relief sought in the Application and for no other improper purpose.

SWORN at West Kelowna, British Columbia, this  
25th day of November, 2024.

  
\_\_\_\_\_  
A Notary Public in and for the Province of  
British Columbia

BYRON K. GOERTZ  
Barrister & Solicitor  
#221-3011 LOUIE DRIVE  
WESTBANK, BC V4T 3E3

  
\_\_\_\_\_  
SCOTT MORROW

This is Exhibit "A" referred to in the Affidavit of Scott Morrow,  
sworn before me in the City of West Kelowna, in the Province of Alberta, BC  
on this 25<sup>th</sup> day of November, 2024



\_\_\_\_\_  
A Notary Public in and for the Province of British Columbia

BYRON K. GOERTZ  
Barrister & Solicitor  
#221-3011 LOUIE DRIVE  
WESTBANK, BC V4T 3E3

COM  
Sept 19, 2024



Form 49  
Rule 13.19

Clerk's stamp

COURT FILE NUMBER 25-3086318 / B301-086318  
COURT COURT OF KING'S BENCH OF ALBERTA C90694  
JUDICIAL CENTRE CALGARY  
MATTER IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS  
AMENDED  
AND IN THE MATTER OF THE COMPROMISE OR  
ARRANGEMENT OF 420 INVESTMENTS LTD., 420  
PREMIUM MARKETS LTD., GREEN ROCK CANNABIS  
(EC 1) LIMITED and 420 DISPENSARIES LTD.  
APPLICANTS 420 INVESTMENTS LTD., 420 PREMIUM MARKETS  
LTD., GREEN ROCK CANNABIS (EC 1) LIMITED, and  
420 DISPENSARIES LTD.  
DOCUMENT **AFFIDAVIT**  
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **STIKEMAN ELLIOTT LLP**  
Barristers & Solicitors  
4300 Bankers Hall West  
888-3rd Street SW  
Calgary, AB T2P 5C5

**Karen Fellowes, K.C. / Natasha Doelman**  
Tel: (403) 724-9469 / (403) 781-9196  
Fax: (403) 266-9034  
Email: kfellowes@stikeman.com / ndoelman@stikeman.com

File No.: 155857.1002

**AFFIDAVIT OF SCOTT MORROW  
SWORN SEPTEMBER 10, 2024**

I, Scott Morrow, of the City of Beaumont, in the Province of Alberta, MAKE OATH AND SAY:

1. I am the Chief Executive Officer ("CEO") of 420 Investments Ltd. ("**420 Parent**"), 420 Premium Markets Ltd. ("**420 Premium**"), Green Rock Cannabis (EC 1) Limited ("**GRC**") and 420 Dispensaries Ltd. ("**420 Dispensaries**") (collectively, "**FOUR20**" or the "**Applicants**"). I have been the CEO of FOUR20 since January 1, 2021, and a member of the boards of directors since May 6, 2021.
2. I am responsible for overseeing the operations of the Applicants, their liquidity management and, ultimately, for assisting in their restructuring process. Because of my involvement with the Applicants, I have knowledge of the matters to which I hereinafter depose, except where otherwise



stated. I have also reviewed the records and have spoken with certain of the directors, officers and/or employees of the Applicants, as necessary. Where I have relied upon such information, I do verily believe such information to be true.

3. This affidavit is sworn in support of an application (the "**Application**") returnable before the Alberta Court of King's Bench (Commercial List) (the "**Court**") on September 19, 2024, for the following relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"):

(a) An Initial Order (the "**Initial Order**") substantially in the form attached as **Schedule "A"** to the Application for the following relief:

- (i) abridging the time for serving and deeming service of this Originating Application and supporting materials good and sufficient;
- (ii) declaring that each of the Applicants are companies to which the CCAA applies;
- (iii) declaring the proposal proceedings of 420 Parent, 420 Premium and GRC (collectively, the "**420 NOI Entities**") commenced under Division I of Part III of the *Bankruptcy and Insolvency Act* (the "**BIA**", and such proceedings the "**NOI Proceeding**") are taken up and continued under the CCAA pursuant to section 11.6(a) thereof, declaring that Division I of Part III of the BIA has no further application to the 420 NOI Entities, and terminating the NOI Proceedings, provided that, notwithstanding the termination of the NOI Proceedings, the charges granted in the First Stay Extension Order and KERP Sealing Order (each as defined below) be taken up and continued to apply in these CCAA proceedings;
- (iv) appointing KSV Restructuring Inc. ("**KSV**") as Monitor of the Applicants;
- (v) stay, for an initial period of not more than 10 days, all proceedings and remedies taken or that might be taken in respect of the Applicants;
- (vi) authorizing the Applicants to carry on business in a manner consistent with the preservation of its business and property;
- (vii) authorizing the Applicants to pay the reasonable expenses incurred by it in carrying out its business in the ordinary course;
- (viii) authorizing the Applicants to pay the reasonable fees and disbursements of the Monitor and its counsel, and Applicants' professional advisors;

- (ix) continuing and taking up under the CCAA such charges and the amounts secured under the First Stay Extension Order as defined below (except for the KERP Charge, which will be reduced due to amounts already paid out to entitled recipients), confirming such charges attach to all of the assets and property of the Applicants and continue to rank in priority to all other charges, mortgages, liens, security interests and other encumbrances therein, and in the following order of priority amongst themselves:
    - (A) first – a charge in favour of the Monitor, its legal counsel, and the Applicants' legal counsel in respect of their fees and disbursements, to a maximum amount of \$300,000 (the "**Administrative Charge**");
    - (B) second – a charge in favour of the directors and officers of the Applicants, to a maximum amount of \$433,000 (the "**D&O Charge**");
    - (C) third – a charge in favour of certain key employees of the Applicants, to a maximum amount of \$373,928.17 less amount already paid. (the "**KERP Charge**");
  - (b) an Order (the "**SISP Approval Order**") substantially in the form attached as **Schedule "B"** to the Application:
    - (i) approving the sales and investment solicitation process ("**SISP**") attached as **Appendix "A"** to the SISP Approval Order to be undertaken by the Applicants, the Monitor and the Sales Advisor, and authorizing and directing them to implement the SISP in accordance with the terms thereof;
  - (c) an Order (the "**Claims Procedure Order**") substantially in the form attached as **Schedule "C"** to the Application approving the solicitation, determination and resolution of claims against the estate of the Applicants (the "**Claims Process**");
  - (d) Such further and other relief as this Honourable Court deems just.
4. All references to currency in this affidavit are references to Canadian dollars, unless otherwise indicated.
- A. OVERVIEW**
5. FOUR20 is a cannabis retailer who has faced financial difficulties since its inception, primarily due to the financial burden from unprofitable or non-operating leasehold store locations. Adding to this financial burden, 420 Parent has been engaged in lengthy litigation as a result of a failed corporate

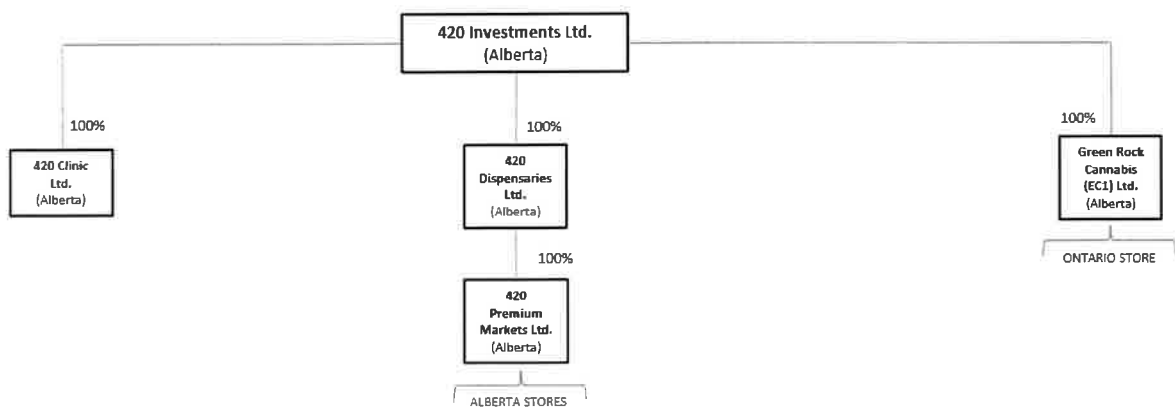
transaction (the "**Litigation**") and the counterparty to that litigation obtained a Summary Judgment Order (as defined below) on its counterclaim and commenced enforcement proceedings including the registration of a writ of enforcement, a garnishee of bank accounts, and other steps. As a result, on May 29, 2024 (the "**Filing Date**"), three associated members of the 420 corporate group (the 420 NOI Entities) filed Notices of Intention to Make a Proposal (the "**NOIs**") with the Office of the Superintendent of Bankruptcy Canada under Part III of the BIA. KSV was appointed Proposal Trustee for each of the 420 NOI Entities. Attached and marked as **Exhibit "A"** are copies of the NOIs.

6. Through the NOI Process, FOUR20 has worked diligently to downsize its operations, including closing stores, terminating employees and vacating its corporate head office. FOUR20 has also obtained an order expediting its appeal of the Summary Judgment Order (as defined below), which will bring certainty to the process. FOUR20 now seeks to launch a SISP and Claims Process, which will extend these process beyond the 6-month deadline under the NOI Proceedings. As a result, FOUR20 needs to convert the NOI Proceedings into proceedings under the CCAA, and proposes to add an additional member of its affiliated corporate group to the proceedings, in order to give potential bidders maximum flexibility for an asset sale or share sale.

**B. FOUR20'S BUSINESS**

**(a) Corporate Structure**

7. FOUR20 operates through a group of companies comprising the "FOUR20" brand. The organizational chart showing the corporate structure of FOUR20 is as follows:



8. Each of the Applicants are private corporations existing under the laws of the Province of Alberta, with their registered offices located in Calgary, Alberta. Copies of Alberta corporate searches for each of the Applicants are attached and marked as **Exhibit "B"**.

9. 420 Parent is the ultimate parent company of a group of companies that includes the Applicants and 420 Clinic Ltd. ("**420 Clinic**"). The group carries on business as a cannabis retailer predominantly in Western Canada, with a single retail location in Ontario.
10. 420 Parent has five directors: Freida Butcher; Gordon Cameron; Geoff Gobert; Scott Morrow; and Aaron Serruya. 420 Parent is owned by a small group of privately held individuals and corporations.
11. 420 Premium, 420 Dispensaries and GRC each have three directors: Freida Butcher; Geoff Gobert; and Scott Morrow. GRC's sole shareholder is 420 Parent. 420 Premium's sole shareholder is 420 Dispensaries, a wholly owned subsidiary of 420 Parent. 420 Dispensaries is a holding company and has no operations or assets other than its shareholdings in 420 Premium.
12. 420 Clinic's sole shareholder is 420 Parent. 420 Clinic was historically in the business of providing cannabinoid education and introducing patients to medical cannabis treatments through education and referring patients to authorized producers. 420 Clinic is no longer in operations.
13. All of the financial statements of FOUR20 are prepared on a consolidated basis with 420 Dispensaries and 420 Clinic. 420 Dispensaries and 420 Clinic have no material assets or liabilities (excluding the shares of 420 Premium held by 420 Dispensaries).

**(b) FOUR20's Operations**

14. FOUR20 is in the business of direct-to-consumer sales of cannabis and cannabis accessories through its retail locations. Prior to the filing of the NOIs, 420 Premium operated 33 licensed cannabis retail stores under the name of "FOUR20" in Alberta. GRC operates one licensed cannabis retail store in Ontario under the name "FOUR20".
15. FOUR20 operates in a highly regulated environment, in accordance with the *Cannabis Act* (Canada) and applicable provincial and municipal legislation. Each province and territory is responsible for determining the regime for the sale and distribution of cannabis within its jurisdiction. Among other things, these governments establish rules regarding how cannabis can be sold, how retail stores must be operated, where such stores can be located and who is allowed to sell cannabis. Adult-use recreational cannabis products are only permitted to be sold through retailers authorized by provincial and territorial governments.
16. As of the date of filing NOIs, 420 Premium and GRC held all required permits and licences to sell cannabis at all then operated stores as follows:

(a) In Alberta, 420 Premium holds 33 licences to operate cannabis retail stores, issued by the Alberta Gaming, Liquor and Cannabis Commission;<sup>1</sup> and

(b) In Ontario, GRC held one licence to operate a cannabis retail store, issued by the Alcohol and Gaming Commission of Ontario.

(c) **Employees**

17. As of the Filing Date, the Applicants employed a total of 175 active employees and 10 employees on leave. The Applicants also engaged three part time contractors. Since the Filing Date, the Applicants have terminated 15 full time employees and 34 part time employees to right size the FOUR20 business and improve cash flows.

(d) **Leased Locations**

18. All of 420 Premium's retail stores are operated from leased premises. 420 Premium also had a leased property in Calgary, Alberta, which it used as a corporate office. As of the date of filing the NOIs, 420 Premium was party to 44 leases. GRC operates from one leased premises in Ontario.

19. After filing the NOIs, 420 Premium issued 16 Notices of Disclaimer for nine (9) uneconomic operating locations and seven (7) non-operating locations, including its head office (collectively, the "**Disclaimed Leases**").

20. The Notices of Disclaimer for the Disclaimed Leases were issued by 420 Premium, in consultation with and approval of the Proposal Trustee, after it was determined that they were in the best interests of the respective companies, creditors, employees and other stakeholders, and necessary for the making of a viable proposal. The Proposal Trustee has estimated that the disclaimer of operating leases alone will result in an estimated net improvement in profitability of approximately \$850,000 annually.

21. Since the issuance of the Notices of Disclaimer, two landlords have filed applications to challenge the same pursuant to section 65.2(1) of the BIA (the "**Disclaimer Applications**") – Strathcona Building Inc. and Meadowlands Development Corporation (together, the "**Landlords**")

22. I am advised by my counsel, and verily believe, that the Disclaimer Applications were originally scheduled to be heard by this Court on September 19, 2024, but were adjourned *sine die* by consent to provide the Landlords with certain requested information.

23. The Applicants are in the process of compiling such requested information with the view to resolving the Disclaimer Applications. I believe resolution of the Disclaimer Applications is necessary and

---

<sup>1</sup> This figure excludes licences that may still be held by the Applicants in connection with closed stores.

desirable to preserve the value of the Applicants' estates for the benefit of all stakeholders and that any ongoing issues related to the Disclaimer Applications may be dealt with in the CCAA Proceedings should this application be granted.

**C. FINANCIAL POSITION OF FOUR20**

24. A copy of FOUR20's unaudited consolidated financial statements for the fiscal year ended December 31, 2023, is attached as **Exhibit "C"**.

**(a) Assets**

25. As appears in FOUR20's Q4 2023 Financial Statement as at December 31, 2023, FOUR20 had assets with an unaudited book value of approximately \$32,449,000, which consisted of the following:

<b>Asset Type</b>	<b>Value (\$)</b>
<u>Current Assets</u>	
Cash	1,378,000
Trade and other receivables	515,000
Merchandise inventories	2,167,000
Prepaid and other assets	432,000
<u>Non-Current Assets</u>	
Deposits	552,000
Property and equipment, net	6,514,000
Right-of-use assets, net	17,207,000
Goodwill (inc. Intangibles)	3,684,000
<b>Total Assets</b>	<b><u>32,449,000</u></b>

**(b) Liabilities**

26. As appears in FOUR20's Q4 2023 Financial Statement as at December 31, 2023, FOUR20 has liabilities with an unaudited book value of approximately \$30,720,000, which consisted of the following:

<b>Liability Type</b>	<b>Value (\$)</b>
<u>Current Liabilities</u>	
Accounts payable and accrued liabilities	2,411,000

Debentures and loans <sup>2</sup>	8,452,000
Other current liabilities	82,000
<u>Non-Current Liabilities</u>	
Lease liabilities	19,775,000
<b>Total Liabilities</b>	<b><u>30,720,000</u></b>

27. While the financial statements above represent the financial condition in December of 2023, it was already clear that FOUR20 lacks adequate working capital, with \$4,492,000 in current assets and \$10,945,000 in current liabilities. Even if FOUR20 could realize on the full book value of its current assets, then it would still be unable to satisfy its current liabilities in the immediate term.

**(c) Shareholder Loans**

28. As of the date of filing the NOIs, the shareholder loans of 420 Parent totaled \$340,000, plus interest. There are no shareholder loans to 420 Premium, 420 Dispensaries and GRC.

**(d) Secured Debt**

29. Attached and marked as **Exhibit "D"** are copies of the personal property registry searches of 420 Parent, 420 Premium, 420 Dispensaries and GRC.

**(i) 420 Parent**

**(1) Nomos Litigation Funding Agreement**

30. On September 24, 2020, 420 Parent, as funded party, and Nomos Capital I-A LP, as funder, entered into a litigation funding agreement (the "**Funding Agreement**") related to the Tilray Proceeding (as defined and described below). The Funding Agreement was assigned from Nomos Capital I-A LP to Nomos Capital I, L.P. ("**Nomos**") on September 24, 2021. The Funding Agreement provides Nomos with a priority secured interest in any proceeds arising from the Tilray Proceeding and property of 420 Parent. As of the Filing Date, \$1,062,660.57 was due and owing to Nomos under the terms of the Nomos Funding Agreement (the "**Nomos Loan**").

**(2) High Park Loan Agreement**

31. On August 28, 2019, 420 Parent, High Park Shops Inc. ("**High Park**") and Tilray, Inc. ("**Tilray**") each entered into an arrangement agreement (the "**Arrangement Agreement**") relating to High Park and Tilray purchasing all of the outstanding shares in 420 Parent (the "**Tilray Transaction**").

---

<sup>2</sup> Includes the HP Loan of \$7,000,000. As discussed below, the HP Loan was the subject of a Summary Judgment Order on February 7, 2024, which resulted in the HP Judgment being awarded against 420 Parent in the amount of \$9,810,364.12.

I understand that High Park was formed for the purpose of the acquisition of 420 Parent and is a subsidiary of Tilray.

32. In connection with the Tilray Transaction, 420 Parent, as borrower, and High Park, as lender, entered into a Loan Agreement (the "**HP Loan Agreement**") whereby High Park agreed to advance \$7,000,000 to 420 Parent (the "**HP Loan**"). In accordance with the terms of the HP Loan Agreement, High Park advanced \$5,000,000 to 420 Parent on August 29, 2019, and a further \$2,000,000 on November 29, 2019. 420 Parent's obligations under the HP Loan Agreement are secured by a general security agreement dated August 28, 2019, executed by 420 Parent. No other FOUR20 entities are parties to the GSA and no guarantees of the HP Loan were sought or given by any other FOUR20 entities.
33. In late January and February of 2020, High Park and Tilray delivered a series of breach notices and notices that purported to terminate the Arrangement Agreement.
34. On February 21, 2020, 420 Parent commenced an action for breach of contract and related relief with respect to the terminated Arrangement Agreement (the "**420 Claim**"). High Park and Tilray each defended the 420 Claim (the "**HP Defence**"). 420 Parent's position is that the Arrangement Agreement was wrongfully terminated. 420 Parent is seeking specific performance or, alternatively, damages in excess of \$130 million, which includes set-off of any amounts advanced under the HP Loan . The 420 Claim has not yet been determined, although questioning has occurred, and undertakings are in the course of being answered. Attached and marked as **Exhibit "E"** is a copy of the 420 Claim and attached as **Exhibit "F"** is a copy of the HP Defence.
35. On March 11, 2020, High Park provided 420 Parent with a Notice of Acceleration, which demanded full payment of the HP Loan immediately.
36. On March 20, 2020, High Park filed a counterclaim in relation to the HP Loan (the "**HP Counterclaim**") and three years later filed an application for summary judgment on March 2, 2023. Attached and marked as **Exhibit "G"** is a copy of the HP Counterclaim and attached as **Exhibit "H"** is a copy of the Statement of Defence to Counterclaim.
37. On February 7, 2024, Applications Judge J.R. Farrington granted High Park summary judgment (the "**Summary Judgment Order**") on the HP Counterclaim in the amount of \$9,810,364.12, inclusive of pre-judgment interest and costs (the "**HP Judgment**"). Attached and marked as **Exhibit "I"** is a copy of the endorsement, HP Judgment, and associated Writ of Enforcement. High Park's attempts to execute on the Writ of Enforcement was the main trigger for the NOI filing.
38. 420 Parent has appealed the HP Judgment. The appeal of the HP Judgment was originally scheduled to be heard on December 5, 2024, however at the Second Stay Extension Application



(as defined below) the Court ordered that the appeal be heard on an expedited basis on the Commercial List. The appeal is scheduled to be heard on the Commercial List on October 8, 2024 by the Honourable Justice Feasby of the Alberta Court of King's Bench. 420's brief of argument in relation to the appeal is attached as **Exhibit "J"** and attached as **Exhibit "K"** is High Park's brief of argument. Additional written submissions may be filed by either party in advance of the appeal in accordance with the Scheduling Order (as defined below).

**(ii) 420 Premium**

**(1) Stoke Canada Finance Corp.**

39. On June 26, 2023, 420 Premium and Stoke Canada Finance Corp. ("**Stoke**") entered into an asset-based loan agreement whereby Stoke agreed to provide to 420 Premium a revolving line of credit in the original principal amount of \$500,000 to be evidenced by one or more promissory notes (the "**Stoke Line of Credit**"). The Stoke Line of Credit was secured by a general security agreement dated June 26, 2023. As of the date of filing, 420 Premium owed \$300,497.48 to Stoke in relation to the Stoke Line of Credit.

**(e) Unsecured Creditors**

40. As of the date of filing the NOIs, the Applicants owed the following amounts to unsecured creditors:

(a) 420 Parent: \$921,693.86;

(b) 420 Premium: \$1,394,828.17; and

(c) GRC: \$0.00.

41. There will be additional claims from landlords as a result of lease disclaimers. These will be better determined through the claims process, subject to any reductions due to mitigation

42. The Applicants obligations to the Canada Revenue Agency are current.

**D. EVENTS LEADING TO THE APPLICANTS' INSOLVENCY**

**(a) Market Conditions and Leased Locations**

43. FOUR20 has been operating at a loss since its inception. While FOUR20's financial difficulties were driven by a variety of factors, the significant net losses suffered by the business are largely in relation market conditions and uneconomic and/or non-operating leased locations.

(i) **Market Conditions**

44. On April 13, 2017, the Government of Canada introduced Bill C-45 - the *Cannabis Act* (Canada) - intended to legalize the production and sale of cannabis for recreational purposes in Canada. After the Senate passed Bill C-45, the Government of Canada announced that the production and use of recreational cannabis would become legal on October 17, 2018.
45. I understand, based on my experience and exposure to the cannabis industry, that this industry has experienced a variety of challenges since its legalization including increased competition, oversupply of industry capacity, margin pressure; a decrease in the availability of adequate funding; a period in which the Alberta Gaming, Liquor and Cannabis Commission (“AGLC”) froze licence distribution; and general regulatory uncertainty. There remains an entrenched black market for cannabis in Canada that, to my knowledge, continues to operate notwithstanding the strict regulations of the *Cannabis Act* (Canada). Each of these factors contribute to downward pressure on revenue, and in the case of the Applicants, has resulted in financial returns that are lower than what was initially expected when the cannabis industry was legalized. Given how many peer companies I have witnessed commence insolvency proceedings, I do not believe that the Applicants are alone in their financial struggles.

(ii) **Leased Locations**

46. 420 Premium entered into several leases in anticipation of receiving licences from the AGLC. However, licences for these locations were ultimately not issued for a variety of unanticipated reasons, such as their proximity to a sensitive use area or a decline in expected revenue due to market deterioration and/or increased competition. 420 Premium also entered into leases for stores that were licensed and subsequently closed following a review of operating results and revised expectations regarding their potential profitability.
47. As a result, prior to the Lease Disclaimers and negotiations described below, 420 Premium was party to multiple uneconomic leases. I understand that this situation is not unique to 420 Premium. To my knowledge, there are several major cannabis retailers in Canada that hold or held leases for anticipated cannabis retail stores that, for a variety of reasons, were never licensed by the applicable licensing authority and never ultimately opened. Similarly, I am aware of major cannabis retailers that entered into leases and opened or planned to open cannabis retail stores but either closed the stores after opening or never proceeded to open them due to low profits or profit forecasts.
48. Lease obligations are a significant portion the Applicants’ overall liabilities, representing approximately 64% of FOUR20’s aggregate liabilities as of December 31, 2023. As of the Filing Date, the Applicants’ lease obligations were approximately \$19,553,000. The Applicants’ lease

obligations have impacted cash flows, and this impact has been exacerbated due to the retail locations related to these lease obligations not generating the level of revenue that they were anticipated to generate.

49. In an effort to downsize its business, 420 Premium negotiated out of 11 leases in exchange for paying significant settlement amounts for uneconomic and non-operating locations beginning in or around March 2020. Notwithstanding these efforts, FOUR20 continued to struggle with profitability in its remaining portfolio of locations on the Filing Date. After the Filing Date, 420 Premium disclaimed 16 leases in an effort to preserve liquidity and facilitate the making of a viable proposal, as discussed above. I understand that the Proposal Trustee was supportive of the Lease Disclaimers.

**(b) Ongoing Litigation with Tilray and High Park**

50. As described above, 420 Parent has been actively involved in the Tilray Proceeding since February 2020. 420 Parent believes that the 420 Claim is well-founded and is a very valuable asset which will result in a significant award (over \$130 million) if successful at trial. The 420 Claim has not yet been determined and the on-going litigation has resulted in a net drain on 420 Parent's resources. The 420 Claim and HP Judgment are closely related and stem from the Arrangement Agreement with Tilray and High Park, as the HP Loan was advanced for the purposes of building out and opening new locations following the close of the proposed arrangement.
51. As a result of the HP Judgment and related enforcement steps taken by High Park and Tilray, the Applicants urgently required creditor protection to stabilize its business operations with a view to restructuring its business and commenced proceedings under the BIA. If High Park were to have enforced the HP Judgment, it would have had disastrous consequences for the Applicants' stakeholders, landlords, suppliers and the then 185 FOUR20 employees, and ability to remain a going concern.

**E. THE NOI PROCEEDINGS**

52. As noted above, the NOI Entities (420 Parent, 420 Premium and GRC) commenced NOI Proceedings on May 29, 2024. KSV was appointed Proposal Trustee in the NOI Proceedings.
53. On June 27, 2024, the NOI Entities brought an application (the "**First Stay Extension Application**") to the Alberta Court of King's Bench (the "**Court**") for an Order: (i) extending the time for the NOI Entities to file a proposal to August 12, 2024, (ii) administratively consolidating the NOI Entities' estates, and (iii) granting an Administration Charge, a D&O Charge and KERP Charge; and (iv) approving a KERP. The Court granted the NOI Entities First Stay Extension Application in full (the "**First Stay Extension Order**"). The Court also granted a sealing order with respect to the

KERP (the "**KERP Sealing Order**"). Attached and marked as **Exhibit "L"** is a copy of the First Stay Extension Order and attached as **Exhibit "L"** is a copy of the KERP Sealing Order

54. On August 12, 2024, the NOI Entities brought an application (the "**Second Stay Extension Application**") to the Court for an Order: (i) extending the time for the Applicants to file a proposal to September 26, 2024 (the "**Stay Period**") (the "**Second Stay Extension Order**"), and (ii) scheduling an appeal of a judgment granted by Applications Judge J.R. Farrington in Alberta Court of King's Bench Action No. 2001-02873 (the "**Scheduling Order**"). The Second Stay Extension Application was granted in full. Attached and marked as **Exhibit "M"** is a copy of the Second Stay Extension Order and attached as **Exhibit "M"** is a copy of the Scheduling Order.
55. Since the commencement of the NOI Proceedings, the Applicants have acted, and continue to act, in good faith and with due diligence and have taken the following steps, among others:
- (a) continuing to provide the Proposal Trustee with access to the Applicants' books and records;
  - (b) working with the Proposal Trustee and the Applicants' counsel, Stikeman Elliott LLP ("**Stikeman**") generally, and in particular with respect to:
    - (i) exploring and considering the various exit strategies available to the Applicants in the context of these NOI Proceedings, including the structure and financing of any Proposal and/or sales process;
    - (ii) preparing cash flow projections and identifying issues with respect to the Applicants' financial condition;
  - (c) communicating and engaging with stakeholders, employees, contractors and vendors;
  - (d) communicating through counsel and the Proposal Trustee the release of funds withheld by Moneris and the Bank of Montreal;
  - (e) reviewing its operating expenses, pursuing collection of accounts receivable and taking other steps to ensure the Applicants remain financially viable;
  - (f) issuing the Notices of Disclaimer for the Disclaimed Leases;
  - (g) terminating 15 full time employees and 34 part time employees;
  - (h) consolidating inventory to operating stores from locations subjected to the Disclaimed Leases;

- (i) reduced compensation in employment and contractor contracts;
- (j) operating the remaining portfolio of 27 stores in the ordinary course;
- (k) scheduling the appeal of the HP Judgment on an expedited basis;
- (l) communicating with the Landlords to prepare requested information and schedule their respective Disclaimer Applications;
- (m) held meetings with potential sales advisors, including the Proposal Trustee, to assist with development of a marketing strategy and sales and investment solicitation process;
- (n) developing the SISP;
- (o) developing the Claims Process;
- (p) advanced discussions with potential stalking horse bidders; and
- (q) reviewed operating expenses, pursued the collection of accounts receivable and took other steps to ensure the Applicants remain financially viable during these proposal proceedings.

**F. REQUIREMENT FOR CONVERSION TO CCAA PROCEEDINGS**

56. The Applicants are in urgent need of protection under the CCAA to preserve value for all stakeholders. Unless an extension to file a proposal is granted, or these NOI Proceedings are converted to CCAA proceedings, the Applicants will be deemed bankrupt on September 26, 2024, being the last day of the Stay Period. In addition, the six months available to complete the NOI Proceeding under the BIA ends on November 29, 2024.
57. The Applicants have developed the SISP and Claims Process (each described further below) in consultation with the Sales Advisor and Proposal Trustee, which contemplate a conclusion date beyond the Stay Period. As such, there is insufficient time available under the NOI Proceedings for the Applicants to conclude and close a transaction under the SISP.

**G. CCAA RELIEF SOUGHT**

**(i) Applicability of the CCAA**

58. The Applicants are companies to which the CCAA applies. The Board of Directors of each of the Applicants have resolved to authorize the within CCAA proceedings.

59. The Applicants are affiliated companies for the purposes of the CCAA. The Applicants have claims against them in excess of \$5,000,000 CAD. The Applicants are insolvent and unable to meet their obligations generally as they become due.

(ii) **Stay of Proceedings and ARIO**

60. The Applicants require time to conclude the SISF and Claims Process. Unless an extension is granted, or the NOI Proceedings are converted to the CCAA proceedings, the Applicants will be automatically bankrupt as of September 26, 2024. Further, it is in the parties' best interest to ensure the stay of proceedings continues beyond September 26, 2024, until such time as the Applicants can finalize the Claims Process and, with the assistance of the Proposed Monitor, commence the SISF, select a successful bidder, return to Court to seek approval of the successful bidder and then close that transaction.

61. Given the imminent commencement of the SISF and Claims Process, the Applicants seek a stay of proceedings against the Applicants and their property until December 16, 2024, pursuant to the ARIO, which is being sought concurrently with the initial CCAA application, in order to provide stability and maintain the status quo in respect of the Applicants until the SISF has closed.

62. I have been advised by the Applicants' legal counsel that typically in a CCAA proceeding, an ARIO is granted at a "comeback hearing" that takes place within ten days of the Initial Order being granted, and that this ten-day period is provided to allow the debtor sufficient time to notify its creditors of the comeback hearing.

63. Given that all major stakeholders have been involved in the NOI Proceedings and have notice of these applications, the Applicants propose to bring an application for the ARIO immediately after (and assuming) the Initial Order is granted. It should be noted that all of the Applicants' creditors have been notified of the insolvency proceedings and consequent stay of proceedings by virtue of the statutory notice that was issued by the Proposal Trustee at the outset of the NOI Proceedings, a copy of which is attached hereto as **Exhibit "N"** (the "**Statutory Notice**"). All pertinent documentation in the NOI Proceedings has been posted on the Proposal Trustee's website, a reference to which is contained in the Statutory Notices. Parties interested in following the proceedings have asked to be placed on the Service List maintained by the Applicants and the Proposal Trustee in the NOI Proceedings, and the entire Service List has been provided with notice of these proceedings. On this basis, the Applicants' creditors have been aware of the stay imposed as a result of the NOI Proceedings.

64. Given the prior notice of the NOI Proceedings, I do not believe that any creditors will be prejudiced by the consecutive granting of the Initial Order and the ARIO. Proceeding in this manner will also preserve resources by decreasing professional fees and will conserve valuable judicial resources.

65. The stay of proceedings is critical for the Applicants' ability to conduct the Claims Process and SISP and complete transactions thereunder for the benefit of their respective stakeholders. Without the benefit of a stay of proceedings, there could be an immediate and significant erosion of value to the detriment of all stakeholders. The need for a stay is demonstrated by garnishment steps taken by High Park and Tilray in relation to the HP Loan which predicated these insolvency proceedings.

**(iii) Proposed Monitor**

66. The Applicants seek the appointment of the Proposed Monitor, KSV Restructuring Inc., as monitor in these proceedings. KSV is qualified and competent to act as the Proposed Monitor under the CCAA and has consented to as the Proposed Monitor of the Applicants in the within proceedings, subject to approval of the Court and is supportive of the relief sought. Attached and marked as **Exhibit "O"** is a copy of the Proposed Monitor's Consent to Act.
67. The professionals of KSV who will have carriage over this matter as the Proposed Monitor have acquired knowledge of the Applicants, their business, financial circumstances and strategic and restructuring efforts to date through its role as Proposal Trustee. I believe that the Proposed Monitor is capable of assisting the Applicants with their restructuring efforts in these CCAA proceedings. The Proposed Monitor is a licensed insolvency trustee and has not served an auditor of the Applicants.
68. In addition to any powers or obligations provided for by the CCAA, the Applicants hereby request that this Court grant the Proposed Monitor the powers, rights, obligations and protections detailed in the Initial Order and, if granted, the Amended and Restated Initial Order, including the orders relating to the Administration Charge.

**(iv) Cash-Flow Forecast**

69. The Applicants, with the assistance of the Proposed Monitor, have prepared cash flow statements, attached to the Pre-Filing Report of the Monitor (the "Cash-Flow Projections").
70. As set out in the Cash-Flow Projections, the Applicants' principal use of cash will be used to fund working capital, and run the Sales Process, the Claims Process and other restructuring fees.

**(v) Continuation of Court-Ordered Charges**

71. The First Stay Extension Order granted, among other things, certain court ordered charges (collectively, the "**Charges**") as follows:

- (a) first – the Administrative Charge in favour of the Monitor, its legal counsel, and the Applicants' legal counsel in respect of their fees and disbursements, to a maximum amount of \$300,000;
  - (b) second – the D&O Charge in favour of the directors and officers of the Applicants, to a maximum amount of \$433,000; and
  - (c) third – a KERP Charge in favour of certain key employees of the Applicants, to a maximum amount of \$373,928.17.
72. The Applicants seek to continue the Charges in the CCAA Proceedings to secure the continued involvement of professionals, the directors and officers of the Applicants and certain key employees subject to the KERP. Each of these parties are critical to the success of the Applicants' restructuring efforts. Moreover, to reflect that some of the KERP has been paid out to eligible recipients, the Applicants seek a reduction of the KERP to account for these payments in an amount to be confirmed.
73. The Applicants also seek to extend the Administration Charge to secure the professional fees of KSV in its capacity as Monitor, along with the legal fees of the Monitor's legal counsel. In addition, the Administration Charge would be continued to cover any unpaid fees and disbursements of the Proposal Trustee, the Proposal Trustee's counsel, the Applicants' legal counsel incurred during the NOI Proceedings that have not otherwise been paid to date.
74. I believe the Charges are reasonable and appropriate in the circumstances and is critical to the success of the Applicants' insolvency proceedings. The proposed Court-Ordered Charges sought are in the same quantum as in the NOI Proceedings, except for the KERP Charge, as explained above.

**(vi) Approval of SISP**

75. The Applicants and the Proposed Monitor, which will assist the Applicants in canvassing the market for, and assessing, potential bidders or refinancing transaction alternatives through the SISP have prepared the SISP whereby interested parties will have the opportunity to submit an offer to: (i) purchase shares or assets of the Applicants (or any one of them), or (ii) make an investment in the Applicants' business by way of a refinancing, reorganization, recapitalization, restructuring or other business transaction involving the Applicants, or any one of them. The SISP will be a key step in the restructuring process to maximize value for the Applicants' creditors and stakeholders. Attached and marked as **Exhibit "P"** is a copy of the proposed SISP.



76. The SISP contemplates a two-phase sale process to occur over approximately 10 weeks. Phase I of the SISP is intended to solicit non-binding letters of intent from potential bidders. Phase II of the SISP is intended to allow bidders to perform further due diligence and submit binding offers in accordance with the criteria specified in the SISP. The key milestones and deadlines in the SISP are as follows:

<b>Milestone</b>	<b>Deadline</b>
Commencement Date (prepare data room and associates documents)	On or before September 27, 2024
Marketing Stage: Publication of Notice and Sending Teaser to Know Potential Buyers	On or before October 4, 2017
Completion of "Phase I" – interested parties to submit a non-binding letter of intent	November 15, 2024
Completion of "Phase II" – interested parties to submit a binding offer that meets at least the requirements set forth in the SISP	November 30, 2024
Selection of the highest or otherwise best bid(s) (the "Successful Bid(s)")	December 6, 2024
Seek a Court order approving the Successful Bid(s)	As soon as practical
Close the transaction contemplated in the Successful Bid(s)	As soon as practical

77. The timeline of the SISP was designed balance the Applicants concerns with a lengthy and expensive CCAA proceeding, with the need for sufficient flexibility to allow interested parties a reasonable opportunity to formulate and submit bids to maximize the Applicant's success in the SISP.
78. Notably, the SISP does not contemplate a sale or disposition of the 420 Claim and expressly excludes the litigation with High Park and Tilray. The Applicants believe that the 420 Claim is compelling and a significant asset in the estate of 420 Parent (over ~\$130M), and intend to pursue the litigation in order to monetize this asset and bring value to the estate and stakeholders.
79. High Park and Tilray have advised that they intend to participate in a sales process, either through a vote on a proposal, a credit bid on assets through a SISP, or a sale or assignment of their debt and security. The Applicants have well-founded concerns that High Park and Tilray may credit bid the 420 Claim and attempt to purchase the shares of 420 parent in order to abandon the litigation, which may strip 420 Parent of its most significant asset to the detriment of all stakeholders.

80. The Proposed Monitor has advised that it is supportive of the proposed SISP and is prepared to assist the Applicants in carrying out the SISP.

**(vii) Approval of Claims Process**

81. The Applicants are seeking this Court's approval of a Claim Process substantially in the form proposed in the Claims Procedure Order. The Claims Process is designed to be completed before the conclusion of the SISP and to address all creditors of the Applicants, including secured and unsecured creditors, as well as landlords of 420 Premium.

82. The estimated timing for execution of the Claim Process is as follows:

<b>Milestone</b>	<b>Deadline</b>
Claims Process Order to be granted	September 19, 2024
Claims package will be sent to all claimants, posted on website and published	September 20, 2024
Claims bar date for claimants to file proof of claim	October 20, 2024
Deadline for receipt by the Monitor of any notice of dispute	15 days following date of Notice of Revision or Disallowance
Deadline for filing application with respect to notice of dispute	10 days following delivery of Notice of Dispute

83. The Claims Process provides for a timely and efficient process for determination of the claims of the Applicants. In particular, it will provide some clarity to potential investors and bidders who wish to participate in the SISP process or the Applicants plan of arrangement.

84. The Proposed Monitor supports the establishment of the Claims Process in the form of the proposed Claims Procedure Order and is prepared to assist with the implementation of the Claims Process.

**H. CONCLUSION**

85. I make this Affidavit in support of the Applicants' Application for an Initial Order and, to the extent that the Initial Order is granted, the Amended and Restated Initial Order pursuant to the CCAA.

SWORN at Beaumont, Alberta, this 10th day of  
September, 2024.



---

**A Commissioner for Oaths  
in and for the Province of Alberta**



---

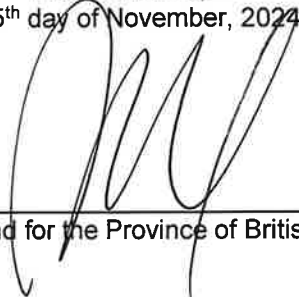
**SCOTT MORROW**

**SHIVANGI KAUR PARMAR**

A Commissioner for Oaths  
in and for Alberta

My Commission Expires February 19, 2026

This is Exhibit "B" referred to in the Affidavit of Scott Morrow,  
sworn before me in the City of West Kelowna, in the Province of ~~Alberta~~ BC,  
on this 25<sup>th</sup> day of November, 2024



\_\_\_\_\_  
A Notary Public in and for the Province of British Columbia

BYRON K. GOERTZ  
Barrister & Solicitor  
#221-3011 LOUIE DRIVE  
WESTBANK, BC V4T 3E3

COURT FILE NUMBER 25-3086318 / B301-086318

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

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

AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED and 420 DISPENSARIES LTD.

APPLICANTS 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED, and 420 DISPENSARIES LTD.

DOCUMENT INITIAL ORDER

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

**STIKEMAN ELLIOTT LLP**  
Barristers & Solicitors  
4200 Bankers Hall West  
888-3rd Street SW  
Calgary, AB T2P 5C5

**Karen Fellowes, K.C. / Natasha Doelman**  
Tel: (403) 724-9469 / (403) 781-9196  
Fax: (403) 266-9034  
Email: kfellowes@stikeman.com / ndoelman@stikeman.com  
File No.: 155857.1002

Clerk's stamp



**DATE ON WHICH ORDER WAS PRONOUNCED:** September 19, 2024

**LOCATION WHERE ORDER WAS PRONOUNCED:** Calgary, Alberta

**JUSTICE WHO MADE THIS ORDER:** The Honourable Justice Jones

**UPON** the application of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (EC 1) Limited, and 420 Dispensaries Ltd. (collectively, the "**Applicants**"); **AND UPON** having read the Originating Application, the Affidavit of Scott Morrow sworn on September 10, 2024 (the "**Morrow Affidavit**"); and the Affidavit of Service of Jessica Watts sworn September 19, 2024; **AND UPON** reading the consent of KSV Restructuring Inc. ("**KSV**") to act as Monitor (the "**Monitor**"); **AND UPON** being advised that the Applicants had previously commenced proceedings under Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**"), having Court File Number 25-3086318 (the "**NOI Proceedings**"), with the current stay under the NOI Proceedings scheduled to expire on September 26, 2024; **AND UPON** noting that KSV was appointed Proposal Trustee ("**Proposal Trustee**") in the NOI

Proceedings; **AND UPON** hearing submissions by counsel for the Applicants, counsel for the Proposal Trustee in the NOI Proceedings and the proposed Monitor, and any other counsel or other interested parties present; **AND UPON** reading the Third Report of the Proposal Trustee dated September 13, 2024;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. The time for service of the notice of application for this order (the "**Order**") is hereby abridged and deemed good and sufficient and this application is properly returnable today.

**APPLICATION**

2. The Applicants are companies to which the *Companies' Creditors Arrangement Act* of Canada (the "**CCAA**") applies.
3. The NOI Proceedings are hereby taken up and continued under the CCAA and the provisions of Part III of the BIA shall have no further application to the Applicants. The NOI Proceedings shall have no further force and effect, and are hereby terminated, save that any and all acts, steps, agreements and procedures validly taken, done or entered into by the Applicants during the NOI Proceedings shall remain valid, binding and actionable within these proceedings. For certainty, approval of the Monitor's and its counsel's fees and disbursements and approval of the Monitor's activities in this proceeding shall be deemed approval of the fees and disbursements and activities of KSV in its capacity as Proposal Trustee and the fees and disbursements of the Proposal Trustee's counsel in the NOI Proceedings. The Applicants are hereby directed and authorized to file a copy of this Order in the NOI Proceedings.

**PLAN OF ARRANGEMENT**

4. The Applicants 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 (the "**Plan**").

**POSSESSION OF PROPERTY AND OPERATIONS**

5. The Applicants shall:
  - (a) 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**");
  - (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property; and

- (c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.
- 6. To the extent permitted by law, the Applicants shall be entitled but not required to make the following advances or payments of the following expenses, incurred prior to or after this Order:
  - (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and 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; and
  - (b) the reasonable fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges, including for periods prior to the date of this Order.
- 7. Except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after 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), maintenance and security services; and
  - (b) payment for goods or services actually supplied to the Applicants following the date of this Order.
- 8. The Applicants 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 that are required to be deducted from employees' wages, including, without limitation, amounts in respect of:
    - (i) employment insurance,
    - (ii) Canada Pension Plan,
    - (iii) Quebec Pension Plan, and
    - (iv) income taxes,

but only where such statutory deemed trust amounts arise after the date of this Order, or are not required to be remitted until after the date of this Order, unless otherwise ordered by the Court;

- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, 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 that are attributable to or in respect of the carrying on of the Business by the Applicants.

9. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicants may 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 as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Applicants from time to time for the period commencing from and including the date of this Order ("Rent"), but shall not pay any rent in arrears.

10. Except as specifically permitted in this Order, the Applicants 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 Applicants to any of their creditors as of the date of this Order;
- (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and
- (c) not to grant credit or incur liabilities except in the ordinary course of the Business.

## **RESTRUCTURING**

11. The Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any portion of its business or operations and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$250,000 in the aggregate, provided that any sale that is either



(i) in excess of the above thresholds, or (ii) in favour of a person related to the Applicants (within the meaning of section 36(5) of the CCAA), shall require authorization by this Court in accordance with section 36 of the CCAA;

- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate on such terms as may be agreed upon between the Applicants and such employee, or failing such agreement, to deal with the consequences thereof in the Plan;
- (c) disclaim or resiliate, in whole or in part, with the prior consent of the Monitor (as defined below) or further Order of the Court, their arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the Applicants deem appropriate, in accordance with section 32 of the CCAA; and
- (d) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

12. The Applicants shall provide each of the relevant landlords with notice of the Applicants' 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. If the landlord disputes the Applicants' 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 Applicants, or by further order of this Court upon application by the Applicants on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicants disclaim or resiliate the lease governing such leased premises in accordance with section 32 of the CCAA, they 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 or resiliation of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.
13. If a notice of disclaimer or resiliation is delivered pursuant to section 32 of the CCAA, then:
  - (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice; and

- (b) at the effective time of the disclaimer or resiliation, 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 Applicants in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

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

14. Until and including September 29, 2024, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

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

15. 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**”), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:
- (a) empower the Applicants to carry on any business that the Applicants are not lawfully entitled to carry on;
  - (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA;
  - (c) prevent the filing of any registration to preserve or perfect a security interest;
  - (d) prevent the registration of a claim for lien; or
  - (e) exempt the Applicants from compliance with statutory or regulatory provisions relating to health, safety or the environment.
16. Nothing in this Order shall prevent any party from taking an action against the Applicants where such an action must be taken in order to comply with statutory time limitations in order to

preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

#### **NO INTERFERENCE WITH RIGHTS**

17. During the Stay Period, no person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

#### **CONTINUATION OF SERVICES**

18. During the Stay Period, all persons having:
- (a) statutory or regulatory mandates for the supply of goods and/or services; or
  - (b) oral or written agreements or arrangements with the Applicants, 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 the Applicants

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 the Applicants or exercising any other remedy provided under such agreements or arrangements. The Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with the payment practices of the Applicants, or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

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

19. Nothing in this Order has the effect of prohibiting a person 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, other than the Interim Lender where applicable, 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 Applicants.

## **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

20. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 15 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date of this Order and that relates to any obligations of the Applicants 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 compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

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

21. The Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors and or officers of the Applicants after the commencement of the within proceedings except to the extent that, with respect to any officer or director, the obligation was incurred as a result of the director's or officer's gross negligence or wilful misconduct.
22. The directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "D&O Charge") on the Property, which charge shall not exceed an aggregate amount of \$433,000, as security for the indemnity provided in paragraph 21 of this Order. The D&O Charge shall have the priority set out in paragraphs 34 and 36 herein.
23. 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 D&O Charge; and
  - (b) the Applicants' directors and officers shall only be entitled to the benefit of the D&O 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 21 of this Order.

## **APPOINTMENT OF MONITOR**

24. KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property, Business, and financial affairs and the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants 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.

25. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements, Business and dealings with the Property;
- (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 and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Applicants;
- (c) advise the Applicants in their preparation of the Applicants' cash flow statements;
- (d) advise the Applicants in their development of the Plan and any amendments to the Plan;
- (e) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (f) 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 Applicants to the extent that is necessary to adequately assess the Property, Business, and financial affairs of the Applicants or to perform its duties arising under this Order;
- (g) 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;
- (h) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Applicants and any other Person; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

26. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, 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 or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation or regulation. 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 federal or provincial environmental legislation.

27. The Monitor shall provide any creditor of the Applicants and the Interim Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor 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 Applicants 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 Applicants may agree.
28. In addition to the rights and protections afforded the Monitor under the CCAA or as an Officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, 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.
29. The Monitor, counsel to the Monitor, and counsel to the Applicants shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these CCAA proceedings), in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a monthly basis.
30. The Monitor and its legal counsel shall pass their accounts from time to time.
31. The Monitor, counsel to the Monitor, if any, and the Applicants' counsel, as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a charge (the "Administrative Charge") on the Property, which charge shall not exceed an aggregate amount of \$300,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administrative Charge shall have the priority set out in paragraphs 34 and 36 hereof.

## KEY EMPLOYEE RETENTION PLAN

32. The amounts payable to the key employees pursuant to the Key Employee Retention Plan (the "KERP") are hereby secured by a charge (the "KERP Charge") on the Property, in favour of the key employees identified in the KERP. The KERP Charge shall have the priority set out in paragraphs 34 and 36 hereof.
33. The aggregate amount secured by the KERP Charge granted to secure the Applicants' obligations under the KERP shall be in an amount no more than \$373,928.17, less any amounts already paid pursuant to the KERP.

## VALIDITY AND PRIORITY OF CHARGES

34. The priorities of the D&O Charge, the Administrative Charge and the Interim Lender's Charge, as among them, shall be as follows:
  - First – Administrative Charge (to the maximum amount of \$300,000);
  - Second – D&O Charge (to the maximum amount of \$433,000); and
  - Third – KERP Charge (to the maximum amount of \$373,928.17, less any amounts already paid pursuant to the KERP).
35. The filing, registration or perfection of the D&O Charge, the Administrative Charge or the KERP Charge (collectively, the "Charges") shall not be required, and 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.
36. Each of the D&O Charge, the Administrative Charge, and the KERP Charge (all as constituted and defined herein) shall constitute a charge on the Property and subject always to section 34(11) of the CCAA such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person.
37. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the D&O Charge, the Administrative Charge or the KERP Charge, unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Charges, or further order of this Court.

38. The D&O Charge, the Administrative Charge, and the KERP Charge 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") shall not otherwise be limited or impaired in any way by:
- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
  - (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy 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") that binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:
    - (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof shall create or be deemed to constitute a new breach by the Applicants of any Agreement to which it is a party;
    - (ii) 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 creation of the Charges; and
    - (iii) the payments made by the Applicants pursuant to this Order, 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.

#### **ALLOCATION**

39. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Administrative Charge, the KERP Charge, and the D&O Charge amongst the various assets comprising the Property.



## **SERVICE AND NOTICE**

40. The Monitor shall (i) without delay, publish in the *Globe and Mail* a notice containing the information prescribed under the CCAA; (ii) within five (5) 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 Applicants 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.
41. The Monitor shall establish or continue a case website in respect of the within proceedings at <https://www.ksvadvisory.com/experience/case/420> (the "**Monitor's Website**").
42. The Applicants and the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by sending true copies thereof by prepaid ordinary mail, recorded mail, courier, personal delivery or electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail or recorded mail, on the seventh day after mailing. Any person that wishes to be served with any application and other materials in these proceedings must deliver to the Applicants or the Monitor by way of ordinary mail, courier, or electronic transmission, a request to be added to the service list (the "**Service List**") to be maintained by the Monitor.
43. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsel's email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on the Monitor's Website.

## **GENERAL**

44. The Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.
45. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Monitor's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.

46. 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 the Applicants, the Business or the Property.
47. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction, to give effect to this Order and to assist the Applicants, 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 Applicants 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 Applicants and the Monitor and their respective agents in carrying out the terms of this Order.
48. Each of the Applicants 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 proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
49. Any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
50. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.

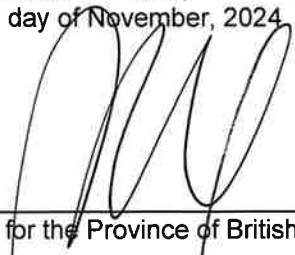


---

Justice of the Court of King's Bench of Alberta

This is Exhibit "C" referred to in the Affidavit of Scott Morrow,  
sworn before me in the City of West Kelowna, in the Province of Alberta,  
on this 25<sup>th</sup> day of November, 2024.

8  
BC



\_\_\_\_\_  
A Notary Public in and for the Province of British Columbia

**BYRON K. GOERTZ**  
Barrister & Solicitor  
#221-3011 LOUIE DRIVE  
WESTBANK, BC V4T 3E3

COURT FILE NUMBER 25-3086318 / B301-086318  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
MATTER IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS  
AMENDED  
AND IN THE MATTER OF THE COMPROMISE OR  
ARRANGEMENT OF 420 INVESTMENTS LTD., 420  
PREMIUM MARKETS LTD., GREEN ROCK CANNABIS  
(EC 1) LIMITED and 420 DISPENSARIES LTD.  
APPLICANTS 420 INVESTMENTS LTD., 420 PREMIUM MARKETS  
LTD., GREEN ROCK CANNABIS (EC 1) LIMITED, and  
420 DISPENSARIES LTD.  
DOCUMENT AMENDED AND RESTATED INITIAL ORDER  
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT STIKEMAN ELLIOTT LLP  
Barristers & Solicitors  
4200 Bankers Hall West  
888-3rd Street SW  
Calgary, AB T2P 5C5  
Karen Fellowes, K.C. / Natasha Doelman  
Tel: (403) 724-9469 / (403) 781-9196  
Fax: (403) 266-9034  
Email: kfellowes@stikeman.com / ndoelman@stikeman.com  
File No.: 155857.1002

Clerk's stamp



ig

DATE ON WHICH ORDER WAS PRONOUNCED: September 19, 2024  
LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta  
JUSTICE WHO MADE THIS ORDER: The Honourable Justice Jones

UPON the application of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (EC 1) Limited, and 420 Dispensaries Ltd. (collectively, the "Applicants"); AND UPON having read the Originating Application, the Affidavit of Scott Morrow sworn on September 10, 2024 (the "Morrow Affidavit"); and the Affidavit of Service of Jessica Watts sworn September 19, 2024; AND UPON reading the consent of KSV Restructuring Inc. ("KSV") to act as Monitor (the "Monitor"); AND UPON being advised that the Applicants had previously commenced proceedings under Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "BIA"), having Court File Number 25-3086318 (the "NOI Proceedings"), with the current stay under the NOI Proceedings scheduled to expire on September 26, 2024; AND UPON noting that KSV was appointed Proposal Trustee ("Proposal Trustee") in the NOI

Proceedings; **AND UPON** hearing submissions by counsel for the Applicants, counsel for the Proposal Trustee in the NOI Proceedings and the proposed Monitor, and any other counsel or other interested parties present; **AND UPON** reading the Third Report of the Proposal Trustee dated September 13, 2024;

**AND UPON HAVING GRANTED** the Initial Order commencing the within CCAA proceedings;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. The time for service of the notice of application for this order (the "**Order**") is hereby abridged and deemed good and sufficient and this application is properly returnable today.

**APPLICATION**

2. The Applicants are a company to which the *Companies' Creditors Arrangement Act* of Canada (the "**CCAA**") applies.
3. The NOI Proceedings are hereby taken up and continued under the CCAA and the provisions of Part III of the BIA shall have no further application to the Applicants. The NOI Proceedings shall have no further force and effect, and are hereby terminated, save that any and all acts, steps, agreements and procedures validly taken, done or entered into by the Applicants during the NOI Proceedings shall remain valid, binding and actionable within these proceedings. For certainty, approval of the Monitor's and its counsel's fees and disbursements and approval of the Monitor's activities in this proceeding shall be deemed approval of the fees and disbursements and activities of KSV in its capacity as Proposal Trustee and the fees and disbursements of the Proposal Trustee's counsel in the NOI Proceedings. The Applicants are hereby directed and authorized to file a copy of this Order in the NOI Proceedings.

**PLAN OF ARRANGEMENT**

4. The Applicants 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 (the "**Plan**").

**POSSESSION OF PROPERTY AND OPERATIONS**

5. The Applicants shall:
  - (a) 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**");

- (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of their business (the “Business”) and Property; and
  - (c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “Assistants”) currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.
- 6. To the extent permitted by law, the Applicants shall be entitled but not required to make the following advances or payments of the following expenses, incurred prior to or after this Order.
  - (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and 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; and
  - (b) the reasonable fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges, including for periods prior to the date of this Order.
- 7. Except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after 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), maintenance and security services; and
  - (b) payment for goods or services actually supplied to the Applicants following the date of this Order.
- 8. The Applicants 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 that are required to be deducted from employees’ wages, including, without limitation, amounts in respect of:
    - (i) employment insurance,
    - (ii) Canada Pension Plan,
    - (iii) Quebec Pension Plan, and
    - (iv) income taxes,

but only where such statutory deemed trust amounts arise after the date of this Order, or are not required to be remitted until after the date of this Order, unless otherwise ordered by the Court;

- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, 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 that are attributable to or in respect of the carrying on of the Business by the Applicants.

9. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicants may 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 as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Applicants from time to time for the period commencing from and including the date of this Order ("Rent"), but shall not pay any rent in arrears.

10. Except as specifically permitted in this Order, the Applicants 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 Applicants to any of their creditors as of the date of this Order;
- (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and
- (c) not to grant credit or incur liabilities except in the ordinary course of the Business.

## **RESTRUCTURING**

11. The Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any portion of its business or operations and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$250,000 in the aggregate, provided that any sale that is either

(i) in excess of the above thresholds, or (ii) in favour of a person related to the Applicants (within the meaning of section 36(5) of the CCAA), shall require authorization by this Court in accordance with section 36 of the CCAA;

- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate on such terms as may be agreed upon between the Applicants and such employee, or failing such agreement, to deal with the consequences thereof in the Plan;
- (c) disclaim or resiliate, in whole or in part, with the prior consent of the Monitor (as defined below) or further Order of the Court, their arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the Applicants deem appropriate, in accordance with section 32 of the CCAA; and
- (d) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

12. The Applicants shall provide each of the relevant landlords with notice of the Applicants' 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. If the landlord disputes the Applicants' 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 Applicants, or by further order of this Court upon application by the Applicants on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicants disclaim or resiliate the lease governing such leased premises in accordance with section 32 of the CCAA, they 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 or resiliation of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.
13. If a notice of disclaimer or resiliation is delivered pursuant to section 32 of the CCAA, then:
  - (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice; and



- (b) at the effective time of the disclaimer or resiliation, 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 Applicants in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

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

14. Until and including December 16, 2024, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

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

15. 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"), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:
- (a) empower the Applicants to carry on any business that the Applicants are not lawfully entitled to carry on;
  - (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA;
  - (c) prevent the filing of any registration to preserve or perfect a security interest;
  - (d) prevent the registration of a claim for lien; or
  - (e) exempt the Applicants from compliance with statutory or regulatory provisions relating to health, safety or the environment.
16. Nothing in this Order shall prevent any party from taking an action against the Applicants where such an action must be taken in order to comply with statutory time limitations in order to

preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

#### **NO INTERFERENCE WITH RIGHTS**

17. During the Stay Period, no person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

#### **CONTINUATION OF SERVICES**

18. During the Stay Period, all persons having:
- (a) statutory or regulatory mandates for the supply of goods and/or services; or
  - (b) oral or written agreements or arrangements with the Applicants, 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 the Applicants

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 the Applicants or exercising any other remedy provided under such agreements or arrangements. The Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with the payment practices of the Applicants, or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

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

19. Nothing in this Order has the effect of prohibiting a person 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, other than the Interim Lender where applicable, 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 Applicants.

## **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

20. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 15 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date of this Order and that relates to any obligations of the Applicants 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 compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

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

21. The Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors and or officers of the Applicants after the commencement of the within proceedings except to the extent that, with respect to any officer or director, the obligation was incurred as a result of the director's or officer's gross negligence or wilful misconduct.
22. The directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "D&O Charge") on the Property, which charge shall not exceed an aggregate amount of \$433,000, as security for the indemnity provided in paragraph 21 of this Order. The D&O Charge shall have the priority set out in paragraphs 34 and 36 herein.
23. 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 D&O Charge; and
  - (b) the Applicants' directors and officers shall only be entitled to the benefit of the D&O 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 21 of this Order.

## **APPOINTMENT OF MONITOR**

24. KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property, Business, and financial affairs and the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants 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.

25. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements, Business and dealings with the Property;
- (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 and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Applicants;
- (c) advise the Applicants in their preparation of the Applicants' cash flow statements;
- (d) advise the Applicants in their development of the Plan and any amendments to the Plan;
- (e) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (f) 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 Applicants to the extent that is necessary to adequately assess the Property, Business, and financial affairs of the Applicants or to perform its duties arising under this Order;
- (g) 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;
- (h) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Applicants and any other Person; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

26. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, 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 or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation or regulation. 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 federal or provincial environmental legislation.

27. The Monitor shall provide any creditor of the Applicants and the Interim Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor 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 Applicants 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 Applicants may agree.
28. In addition to the rights and protections afforded the Monitor under the CCAA or as an Officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, 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.
29. The continued engagement by the Applicants of KSV to commence and carry out the sale and investment solicitation process approved by this Court by Order granted September 19, 2024 in the within proceedings is hereby approved.
30. The Monitor, counsel to the Monitor, and counsel to the Applicants shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these CCAA proceedings), in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a monthly basis.
31. The Monitor and its legal counsel shall pass their accounts from time to time.
32. The Monitor, counsel to the Monitor, if any, and the Applicants' counsel, as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a charge (the "Administrative Charge") on the Property, which charge shall not exceed an aggregate amount of \$300,000, as security for

their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administrative Charge shall have the priority set out in paragraphs 34 and 36 hereof.

#### **KEY EMPLOYEE RETENTION PLAN**

33. The amounts payable to the key employees pursuant to the Key Employee Retention Plan (the "KERP") are hereby secured by a charge (the "KERP Charge") on the Property, in favour of the key employees identified in the KERP. The KERP Charge shall have the priority set out in paragraphs 34 and 36 hereof.
34. The aggregate amount secured by the KERP Charge granted to secure the Applicants' obligations under the KERP shall be in an amount no more than \$373,928.17, less any amounts already paid pursuant to the KERP.

#### **VALIDITY AND PRIORITY OF CHARGES**

35. The priorities of the D&O Charge, the Administrative Charge and the Interim Lender's Charge, as among them, shall be as follows:
  - First – Administrative Charge (to the maximum amount of \$300,000);
  - Second – D&O Charge (to the maximum amount of \$433,000); and
  - Third – KERP Charge (to the maximum amount of \$373,928.17, less any amounts already paid pursuant to the KERP).
36. The filing, registration or perfection of the D&O Charge, the Administrative Charge or the KERP Charge (collectively, the "Charges") shall not be required, and 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.
37. Each of the D&O Charge, the Administrative Charge, and the KERP Charge (all as constituted and defined herein) shall constitute a charge on the Property and subject always to section 34(11) of the CCAA such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person.
38. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the D&O Charge, the Administrative Charge or the KERP Charge, unless the

Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Charges, or further order of this Court.

39. The D&O Charge, the Administrative Charge, and the KERP Charge 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") shall not otherwise be limited or impaired in any way by:
- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
  - (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy 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") that binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:
    - (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof shall create or be deemed to constitute a new breach by the Applicants of any Agreement to which it is a party;
    - (ii) 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 creation of the Charges; and
    - (iii) the payments made by the Applicants pursuant to this Order, 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.

#### **ALLOCATION**

40. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Administrative Charge, the KERP Charge, and the D&O Charge amongst the various assets comprising the Property.

## SERVICE AND NOTICE

41. The Monitor shall (i) without delay, publish in the Globe and Mail a notice containing the information prescribed under the CCAA; (ii) within five (5) 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 Applicants 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.
42. The Monitor shall establish or continue a case website in respect of the within proceedings at <https://www.ksvadvisory.com/experience/case/420> (the "Monitor's Website").
43. The Applicants and the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by sending true copies thereof by prepaid ordinary mail, recorded mail, courier, personal delivery or electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail or recorded mail, on the seventh day after mailing. Any person that wishes to be served with any application and other materials in these proceedings must deliver to the Applicants or the Monitor by way of ordinary mail, courier, or electronic transmission, a request to be added to the service list (the "Service List") to be maintained by the Monitor.
44. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsel's email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on the Monitor's Website.

## GENERAL

45. The Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.
46. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Monitor's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.



47. 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 the Applicants, the Business or the Property.
48. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction, to give effect to this Order and to assist the Applicants, 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 Applicants 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 Applicants and the Monitor and their respective agents in carrying out the terms of this Order.
49. Each of the Applicants 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 proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
50. Any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
51. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.



---

Justice of the Court of King's Bench of Alberta

This is Exhibit "D" referred to in the Affidavit of Scott Morrow,  
sworn before me in the City of West Kelowna, in the Province of ~~Alberta~~,  
on this 25<sup>th</sup> day of November, 2024

g  
BC



\_\_\_\_\_  
A Notary Public in and for the Province of British Columbia

BYRON K. GOERTZ  
Barrister & Solicitor  
#221-3011 LOUIE DRIVE  
WESTBANK, BC V4T 3E3

COURT FILE NUMBER 25-3086318 / B301-086318  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
MATTER IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS  
AMENDED

Clerk's stamp



AND IN THE MATTER OF THE COMPROMISE OR  
ARRANGEMENT OF 420 INVESTMENTS LTD., 420  
PREMIUM MARKETS LTD., GREEN ROCK CANNABIS  
(EC 1) LIMITED and 420 DISPENSARIES LTD.

APPLICANTS 420 INVESTMENTS LTD., 420 PREMIUM MARKETS  
LTD., GREEN ROCK CANNABIS (EC 1) LIMITED, and  
420 DISPENSARIES LTD.

DOCUMENT **ORDER (APPROVING SALE AND INVESTMENT  
SOLICITATION PROCESS)**

ADDRESS FOR SERVICE **STIKEMAN ELLIOTT LLP**  
AND CONTACT Barristers & Solicitors  
INFORMATION OF 4300 Bankers Hall West  
PARTY FILING 888-3rd Street SW  
THIS DOCUMENT Calgary, AB T2P 5C5

**Karen Fellowes, K.C. / Natasha Doelman**  
Tel: (403) 724-9469 / (403) 781-9196  
Fax: (403) 266-9034  
Email: kfellowes@stikeman.com / ndoelman@stikeman.com  
File No.: 155857.1002

**DATE ON WHICH ORDER WAS PRONOUNCED:** September 19, 2024

**LOCATION WHERE ORDER WAS PRONOUNCED:** Calgary, Alberta

**JUSTICE WHO MADE THIS ORDER:** The Honourable Justice Jones

**UPON** the application of Applicants, 420 Investments Ltd. ("**420 Parent**"), 420 Premium Markets Ltd. ("**420 Premium**"), Green Rock Cannabis (EC 1) Limited ("**GRC**") and 420 Dispensaries Ltd. ("**420 Dispensaries**") (collectively, "**FOUR20**" or the "**Applicants**"); **AND UPON** having read the Application for an Amended and Restated Initial Order, the Affidavit of Scott Morrow sworn on September 10, 2024, the Affidavit of Jessica Watts sworn on September 18, 2024, the Affidavit of Service of Jessica Watts sworn on September 19, 2024, Third Report of the Proposal Trustee and Pre-Filing Report of the Proposed Monitor dated September 13, 2024 (the "**Pre-Filing Report**"); **AND UPON** hearing counsel for the Applicants, and any other interested parties appearing at the application;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. The time for service of the notice of application for this order (the "**Order**") together with all supporting materials is hereby deemed good and sufficient and this application is properly returnable today.

**APPROVAL OF SALE AND INVESTMENT SOLICITATION PROCESS**

2. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the sales and investment solicitation process attached hereto as **Appendix "A"** ("**SISP**").
3. The SISP is approved in the form attached, which includes all or part of FOUR20's Property and Business as defined in the SISP, without exception. For clarity, the litigation between 420 Parent and Tilray Inc and High Park Shops Inc. in Court of King's Bench of Alberta Court file No. 2001-02873 may be included in any Sale Proposal or Investment Proposal as described within the SISP, and the shares of 420 Parent may form part of an Investment Proposal as described in the SISP. The Applicants, the Monitor (as defined below) and their advisors are authorized and directed to perform their respective obligations and to do all things reasonably necessary to perform their obligations under the SISP.
4. Each of the Applicants, the Monitor and their respective affiliates, partners, directors, employees, advisors (including but not limited to legal counsel), agents, shareholders and controlling persons shall have no liability with respect to any losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of the SISP or the conduct thereof, except to the extent of such losses, claims, damages or liabilities resulting from the gross negligence or willful misconduct of any of the foregoing in performing their obligations under the SISP (as determined by this Court). Pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Debtors and the Monitor may disclose personal information of identifiable individuals to Potential Bidders and their advisors in connection with the SISP, but only to the extent desirable or required to carry out the SISP. Each Potential Bidder (and their respective advisors) to whom any such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information solely to its evaluation of a transaction in respect of the Applicants and the Property, and if it does not complete such a transaction, shall return all such information to the Monitor, or in the alternative destroy all such information. The Successful Bidder shall be entitled to continue to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by the Applicants, and shall return all other personal information to the Monitor, or ensure that all other personal information is destroyed.

**MISCELLANEOUS MATTERS**

5. The Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
6. Notwithstanding Rule 6.11 of the Alberta Rules of Court, unless otherwise ordered by this Court, the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Monitor's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
7. Service of this Order shall be deemed good and sufficient by serving the same by posting a copy of this Order on the Monitor's website at: <https://www.ksvadvisory.com/experience/case/420>



---

Justice of the Court of King's Bench of Alberta

## Appendix "A"

### SALE AND INVESTMENT SOLICITATION PROCESS

#### INTRODUCTION

On May 29, 2024, 420 Investments Ltd. ("**420 Parent**"), 420 Premium Markets Ltd. ("**420 Premium**"), Green Rock Cannabis (EC 1) Limited ("**GRC**") filed with the Alberta Court of King's Bench (the "**Court**") and the Office of the Superintendent of Bankruptcy a Notice of Intention to make a Proposal under Part III of the *Bankruptcy and Insolvency Act*, 1985, c. B-3 (the "**BIA**") (the "**NOI Proceedings**").

On September 10, 2024, 420 Parent, 420 Premium, GRC and 420 Dispensaries Ltd. ("**420 Dispensaries**") (collectively, "**FOUR20**") filed an application pursuant to s. 11.6(a) of the *Companies' Creditors Arrangement Act*, 1985, c C-36 ("**CCAA**") to continue the NOI Proceedings thereunder.

On September 19, 2024, the Alberta Court of King's Bench (the "**Court**") granted an Initial Order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, 1985, c C-36 ("**CCAA**"), among other things, appointing KSV Restructuring Inc. ("**KSV**") as the monitor (the "**Monitor**") of FOUR20.

On September 19, 2024, the Court granted an amended and restated initial order (the "**ARIO**").

On September 19, 2024, the Court granted an order (the "**SISP Approval Order**") which, among other things, directed and empowered FOUR20, in consultation with the Monitor, to prepare and conduct a strategic sales and investment solicitation process ("**SISP**") to solicit offers for the Business or Property of FOUR20, in whole or in part, or investments related thereto. Capitalized terms not defined herein shall have the meaning ascribed to them in the ARIO.

The SISP Approval Order and this SISP shall exclusively govern the process for soliciting and selecting bids for the sale of all, substantially all, or one or more portions of FOUR20's Business or Property, or for the restructuring, recapitalization or refinancing of FOUR20 and FOUR20's Business. Under the SISP, all qualified interested parties will be provided with an opportunity to participate in the SISP.

This document outlines the SISP, which is comprised principally of three stages: pre-marketing, marketing, and offering/evaluation.

#### OPPORTUNITY AND SISP SUMMARY

1. The SISP is intended to solicit interest in, and opportunities for a sale of, or investment in, all or part of FOUR20's Property or Business (the "**Opportunity**"). In order to maximize the number of participants that may have an interest in the Opportunity, the SISP will provide for the solicitation of interest for:
  - (a) the sale of FOUR20's interests in the Property. In particular, interested parties may submit proposals to acquire all, substantially all or a portion of FOUR20's Property (a "**Sale Proposal**"); or

- (b) an investment in the Business, which may include one or more of the following: a restructuring, recapitalization or other form of reorganization of the Business and affairs of FOUR20 as a going concern, together with a plan of compromise or arrangement pursuant to the CCAA (an "**Investment Proposal**").
2. Except to the extent otherwise set forth in a definitive sale or investment agreement with a Successful Bidder (as defined below), any Sale Proposal or any Investment Proposal will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by, the Monitor or FOUR20, or any of their respective affiliates, agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of FOUR20 in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, except as otherwise provided in such Court orders.
  3. Solicitation of interest for Sale Proposals and Investment Proposals will be on an unpriced basis whereby no set asking price will be stipulated.
  4. This SISP shall be conducted by the Monitor, in consultation with FOUR20.
  5. As described more fully in this SISP, the major stages in the within procedure will be comprised of the following:
    - (a) Pre-Marketing: preparation of all marketing material, assembly of all relevant due diligence material, establishment of an electronic data;
    - (b) Marketing: advertising, contacting potential buyers/investors, responding to requests for information and disseminating marketing material to potential buyers and investors; and
    - (c) Offer Submission and Evaluation: solicitation, receipt of, evaluation and negotiation of offers from potential buyers and investors, as described below.
  6. The offer submission and evaluation stage of the SISP will be comprised of a two phase offering process: "**Phase 1**" being the submission of letters of intent ("**LOIs**") from qualified bidders, and "**Phase 2**" being the submission of formal binding offers from those parties that submitted LOIs and that have been invited by the Monitor, in consultation with FOUR20, to participate in Phase 2 (defined below as Phase 1 Qualified Bidders).

**TIMELINE**

7. The Monitor, in consultation with FOUR20, shall commence the within SISP on or before September 27, 2024 (such time being referred to herein as the "**Commencement Date**"). As soon as reasonably practicable following the Commencement Date, the Monitor shall publish on its website established with respect to FOUR20's CCAA proceedings, a timeline of the key milestones set out below setting out the specific dates of the respective milestones. Furthermore, the Monitor shall publish the timeline in the Teaser Letter, referenced below.
8. The following table sets out the key milestones under the SISP:

Milestone	Deadline
Commencement Date (prepare data room and associates documents)	On or before September 27, 2024

Marketing Stage: Publication of Notice and Sending Teaser to Know Potential Buyers	On or before October 4, 2017
Completion of "Phase I" – interested parties to submit a non-binding letter of intent	November 15, 2024
Completion of "Phase II" – interested parties to submit a binding offer that meets at least the requirements set forth in the SISP	November 30, 2024
Selection of the highest or otherwise best bid(s) (the "Successful Bid(s)")	December 6, 2024
Seek a Court order approving the Successful Bid(s)	As soon as practical
Close the transaction contemplated in the Successful Bid(s)	As soon as practical

#### PRE-MARKETING STAGE

9. Prior to the Commencement Date:
- (a) the Monitor, in consultation with FOUR20, will prepare: (i) a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; (ii) a non-disclosure agreement with the Monitor and FOUR20 (an "**NDA**"); and (iii) a confidential Information Memorandum ("**CIM**"). The Teaser Letter, NDA and CIM shall be in form and substance satisfactory to the Monitor, in consultation with FOUR20. The CIM will specifically stipulate that the Monitor, FOUR20 and each of their respective advisors make no representation or warranty as to the accuracy or completeness of the information contained in the CIM, the Data Room (as defined below), or made available pursuant to the SISP or otherwise, except to the extent expressly contemplated in any definitive sale or investment agreement with a Successful Bidder (as defined below) ultimately executed and delivered by FOUR20 and/or the Monitor;
  - (b) the Monitor, with the assistance of FOUR20 will gather and review all required due diligence material to be provided to interested parties and shall establish a secure, electronic data room (the "**Data Room**"), which will be maintained and administered by the Monitor during the SISP; and
  - (c) FOUR20 and the Monitor will develop a draft form of LOI ("**LOI Form**") and a purchase and sale agreement or investment agreement for use during the SISP.

#### MARKETING STAGE

10. As soon as reasonably possible after the Commencement Date, the Monitor shall:
- (a) arrange for a notice of the SISP (and such other relevant information as the



Monitor, in consultation with FOUR20 considers appropriate) (the "**Notice**") to be published in the Calgary Herald, the website of the Monitor and any other newspaper or journals as the Monitor, in consultation with FOUR20 considers appropriate, if any; and

- (b) send the Teaser Letter and NDA to all parties that have approached the Monitor or FOUR20 indicating an interest in the Opportunity; and (ii) local, national and international strategic and financial parties who the Monitor believes may be interested in purchasing all or part of the Business and Property or investing in FOUR20 pursuant to the SISP (collectively, "**Known Potential Bidders**"), and to any other party who responds to the Notice as soon as reasonably practicable after such identification or request, as applicable.
11. The Monitor will send the CIM and grant access to the Data Room to those parties who have executed and delivered the NDA to the Monitor as soon as reasonably practicable after such execution and delivery.
  12. Requests for information and access to the Data Room will be directed to the Monitor, to the attention of the persons listed in Schedule "A" hereto. All printed information shall remain the property of FOUR20 and, if requested by the Monitor, shall be returned without further copies being made and/or destroyed with an acknowledgement that all such material has either been returned and/or destroyed and no electronic information has been retained.
  13. Any party who expresses a desire to participate in the SISP (a "**Potential Bidder**") must, prior to being given any additional information such as the CIM and access to the Data Room, provide to the Monitor an NDA executed by it, and which shall inure to the benefit of any ultimate Successful Bidder.
  14. If a Potential Bidder has delivered the NDA and a Qualified LOI (as defined below) that is satisfactory to the Monitor, acting reasonably, then such Potential Bidder will be deemed to be a "**Phase 1 Qualified Bidder**". No Potential Bidder shall be deemed not to be a Phase 1 Qualified Bidder without the approval of the Monitor.

## **OFFER SUBMISSION AND EVALUATION STAGE**

### **Phase 1**

#### ***Due Diligence***

15. The Monitor in consultation FOUR20, and subject to competitive and other business considerations, will afford each Phase 1 Qualified Bidder such access to due diligence materials through the Data Room and information relating to the Property and Business as it deems appropriate. Due diligence access may further include management presentations with participation of the Monitor where appropriate, on-site inspections, and other matters which a Phase 1 Qualified Bidder may reasonably request and to which the Monitor, in its reasonable business judgment, may agree. The Monitor and FOUR20 will each designate a representative to coordinate all reasonable requests for additional information and due diligence access from Phase 1 Qualified Bidders and the manner in which such requests must be communicated. None of the Monitor or FOUR20 will be obligated to furnish any information relating to the Property or Business to any person other than to Phase 1 Qualified Bidders. Further and for the avoidance of doubt, selected due diligence materials

may be withheld from certain Phase 1 Qualified Bidders if the Monitor, in consultation FOUR20, determines such information to represent proprietary or competitively sensitive information.

### **LOI Submission**

16. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any transaction they ultimately enter into with FOUR20.
17. A Phase 1 Qualified Bidder who wishes to pursue the Opportunity further must deliver an executed LOI, identifying each specific Property or Business the Phase 1 Qualified Bidder is interested in, to the Monitor at the addresses specified in **Schedule "A"** hereto (including by email or fax transmission), so as to be received by them not later than 12:00 PM (Calgary time) on or before November 15, 2024 (the "**Phase 1 Bid Deadline**").
18. An LOI so submitted will be considered a qualified LOI (a "**Qualified LOI**") only if:
  - (a) it is submitted on or before the relevant Phase 1 Bid Deadline by a Phase 1 Qualified Bidder;
  - (b) it contains a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals and direct and indirect beneficial owners of the Potential Bidder it contains an indication of whether the Phase 1 Qualified Bidder is making a:
    - (i) Sale Proposal; or
    - (ii) an Investment Proposal;
  - (c) in the case of a Sale Proposal, it identifies or contains the following:
    - (i) the purchase price, in Canadian dollars, including details of any liabilities to be assumed by the Phase 1 Qualified Bidder and key assumptions supporting the valuation;
    - (ii) a description of each Property that is expected to be subject to the transaction and any of the Property or obligations for each Property expected to be excluded;
    - (iii) a specific indication of the financial capability, together with evidence of such capability, of the Phase 1 Qualified Bidder and the expected structure and financing of the transaction;
    - (iv) a description of the approvals required for a final and binding offer;
    - (v) all conditions to closing that the Phase 1 Qualified Bidder may wish to impose including any asset and liability thresholds that must be met for the

Phase 1 Qualified Bidder to submit a final and binding offer;

- (vi) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer; and
  - (vii) any other terms or conditions of the Sale Proposal that the Phase 1 Qualified Bidder believes are material to the transaction;
- (d) in the case of an Investment Proposal, it identifies the following:
- (i) a description of how the Phase 1 Qualified Bidder proposes to structure the proposed investment in the Business;
  - (ii) the aggregate amount of the equity and/or debt investment to be made in the Business or FOUR20 (including a description of which entity(s) will be invested in) in Canadian dollars;
  - (iii) the underlying assumptions regarding the *pro forma* capital structure;
  - (iv) a specific indication of the sources of capital for the Phase 1 Qualified Bidder and the structure and financing of the transaction;
  - (v) a description of the approvals required for a final and binding offer;
  - (vi) all conditions to closing that the Phase 1 Qualified Bidder may wish to impose including any asset and liability thresholds that must be met for the Phase 1 Qualified Bidder to submit a final and binding offer;
  - (vii) all conditions to closing that the Phase 1 Qualified Bidder may wish to impose;
  - (viii) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer; and
  - (ix) any other terms or conditions of the Investment Proposal that the Phase 1 Qualified Bidder believes are material to the transaction;
- (e) in the case of a Sale Proposal, it contains a statement that the Phase 1 Qualified Bidder meets all eligibility requirements of governmental authorities to purchase and accept a transfer of the Property, including without limiting the generality of the foregoing, the eligibility requirements of the applicable federal and provincial legislation.
- (f) in the case of either a Sale Proposal or an Investment Proposal, it contains such other information as reasonably requested by the Monitor from time to time.

19. The Monitor, in consultation with FOUR20, may waive compliance with any one or more of

the requirements specified above and deem such non-compliant bids to be a Qualified LOI. For the avoidance of doubt, the completion of any Sale Proposal or Investment Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.

### ***Preliminary Assessment of Phase 1 Bids and Subsequent Process***

20. Following the Phase 1 Bid Deadline, the Monitor will assess the Qualified LOIs with respect to the Property or Business in consultation with the Monitor and FOUR20. If it is determined by the Monitor that a Phase 1 Qualified Bidder that has submitted a Qualified LOI: (i) has a *bona fide* interest in completing a Sale Proposal or Investment Proposal (as the case may be); and (ii) has the financial capability (based on availability of financing, experience and other considerations) to consummate such a transaction based on the financial information provided; then such Phase 1 Qualified Bidder will be deemed to be a "**Phase 2 Qualified Bidder**", provided that the Monitor may, in its judgment but with the consent of the Monitor, limit the number of Phase 2 Qualified Bidders (and thereby eliminate some Phase 1 Qualified Bidders from the process). Only Phase 2 Qualified Bidders shall be permitted to proceed to Phase 2 of the SISP.
21. The Monitor, in consultation with FOUR20, will prepare a bid process letter for Phase 2 (the "**Bid Process Letter**"), which will include a draft purchase and sale agreement or investment agreement (a "**Draft Purchase/Investment Agreement**") which will be made available in the Data Room, and the Bid Process Letter and will be sent to all Phase 2 Qualified Bidders who are invited to participate in Phase 2.

### **Phase 2: Formal Offers and Selection of Successful Bidder**

#### ***Formal Binding Offers***

22. Phase 2 Qualified Bidders that wish to make a formal Sale Proposal or an Investment Proposal shall submit to the Monitor a sealed binding offer that complies with all of the following requirements at the addresses specified in **Schedule "A"** hereto (including by email or fax transmission), so as to be received by the Monitor not later than 12:00 PM (Calgary time) on or before November 30, 2024, or such other date and time as may be modified in the Bid Process Letter (the "**Phase 2 Bid Deadline**"):
  - (a) the bid shall comply with all of the requirements set forth in respect of Phase 1 Qualified LOIs;
  - (b) cash is the preferred form of consideration, but if the bid utilizes other consideration (including a form of credit bid), a description of the material terms of the consideration shall be provided;
  - (c) the bid (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Property or Business on terms and conditions reasonably acceptable to FOUR20, in consultation with the Monitor;
  - (d) unless otherwise agreed, the bid shall take the form of the Draft Purchase/Investment Agreement (with a blackline showing any changes) and shall

include a letter stating that the Phase 2 Qualified Bidder's offer is irrevocable until Court approval of a Successful Bidder (as defined below), provided that if such Phase 2 Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with such Successful Bidder;

- (e) the bid includes duly authorized and executed transaction agreements as listed in the Draft Purchase/Investment Agreement; including, but not limited to, the purchase price, investment amount, or a combination thereof and any other key economic terms expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto, and the name or names of the ultimate direct or indirect beneficial owner(s) of the Phase 2 Qualified Bidder including their respective percentage interests;
- (f) to the extent that a bid is conditional upon new or amended agreements being entered into with other parties, or existing agreements terminated, the interested parties shall provide the proposed terms of such terminated, amended or new agreements and identify how such agreements may differ from existing agreements to which FOUR20 may be a party. A Phase 2 Qualified Bidder's willingness to proceed without such conditions and, where such conditions are included in the bid, the likelihood of satisfying such conditions shall be an important factor in evaluating the bid;
- (g) the bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, including the timetable for obtaining financing and, if appropriate, the amount of senior debt, subordinated debt, equity and other source of financing contemplated in the *pro forma* capital structure that will allow the Monitor to make a determination as to the Phase 2 Qualified Bidder's financial and other capabilities to consummate the proposed transaction;
- (h) the bid should identify any threshold of assets to be acquired or liabilities to be assumed as a condition to proceeding to close a transaction;
- (i) the bid should not be conditional on the outcome of unperformed due diligence by the Phase 2 Qualified Bidder, apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or competitively sensitive information which was withheld in Phase 2 from the Phase 2 Qualified Bidder;
- (j) the bid fully discloses the identity of each entity that will be entering into the transaction or the financing, or that is participating or benefiting from such bid;
- (k) for a Sale Proposal, the bid includes a commitment by the Phase 2 Qualified Bidder to provide a refundable deposit in the amount of not less than 10% of the purchase price offered upon the Phase 2 Qualified Bidder being selected as the Successful Bidder, which shall be paid to "KSV Restructuring Inc. in trust" (the "**Deposit**"). One half of the Deposit shall be paid to "KSV Restructuring Inc. in trust" upon the submission of the Phase 2 Qualified Bidder's Phase 2 Bid. The second half of the Deposit shall be submitted upon the Phase 2 Qualified Bidder being selected as the Successful Bidder. The Successful Bidder's Deposit shall be applied as against the Purchase Price and all other Deposits submitted by Phase 2 Qualified Bidders who are not selected as the Successful Bidder shall be returned within five (5) business days of obtaining Court approval of the Successful Bid;

- (l) for an Investment Proposal, the bid includes a commitment by the Phase 2 Qualified Bidder to provide a refundable deposit in the amount of not less than 10% of the total new investment contemplated in the bid upon the Phase 2 Qualified Bidder being selected as the Successful Bidder, which shall be paid to "KSV Restructuring Inc. in trust". One half of the Deposit shall be paid to "KSV Restructuring Inc. in trust" upon the submission of the Phase 2 Qualified Bidder's Phase 2 Bid. The second half of the Deposit shall be submitted upon the Phase 2 Qualified Bidder being selected as the Successful Bidder. The Successful Bidder's Deposit shall be applied as against the Purchase Price and all other Deposits submitted by Phase 2 Qualified Bidders who are not selected as the Successful Bidder shall be returned within five (5) business days of obtaining Court approval for the Successful Bid;
  - (m) the bid includes acknowledgments and representations of the Phase 2 Qualified Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Property, Business and FOUR20 prior to making its offer (apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or competitively sensitive information which was withheld in Phase 2 from the Phase 2 Qualified Bidder); (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever made by the Monitor or FOUR20, whether express, implied, statutory or otherwise, regarding the Business, Property or FOUR20, or the accuracy or completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by FOUR20;
  - (n) all required corporate approvals of the Phase 2 Qualified Bidder will have been obtained prior to the submission of the bid;
  - (o) the bid shall identify any material conditions in favour of the purchaser to be resolved prior to closing the transaction;
  - (p) the bid is received by the relevant Phase 2 Bid Deadline; and
  - (q) the bid contemplates Court approval.
23. Following the Phase 2 Bid Deadline, the Monitor will assess the Phase 2 Bids received with respect to the Property or Business, in consultation with the Monitor and FOUR20. The Monitor will designate the most competitive bids that comply with the foregoing requirements to be "**Phase 2 Qualified Bids**". Only Phase 2 Qualified Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).
24. The Monitor, in consultation with FOUR20, may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Phase 2 Qualified Bid.
25. The Monitor, in consultation with FOUR20, shall notify each Phase 2 Qualified Bidder in writing as to whether its bid constituted a Phase 2 Qualified Bid within ten (10) business days of the Phase 2 Bid Deadline, or at such later time as the Monitor deems appropriate.
26. If the Monitor is not satisfied with the number or terms of the Phase 2 Qualified Bids, the

Monitor, in consultation with FOUR20, may extend the Phase 2 Bid Deadline without Court approval.

27. The Monitor may terminate further participation in the Phase 2 Bid Process by any Qualified Phase 2 Bidder, or modify dates or procedures in this SISP as deemed appropriate or necessary, or terminate the process altogether.
28. The Monitor, in consultation with FOUR20, may aggregate separate bids from unaffiliated Phase 2 Qualified Bidders to create one or more Phase 2 Qualified Bid(s).

#### ***Evaluation of Competing Bids***

29. A Phase 2 Qualified Bid will be evaluated based upon several factors, including, without limitation, items such as the Purchase Price and the net value and form of consideration to be paid pursuant to such bid (including the extent of value available to creditors of FOUR20), the identity, circumstances and ability of the Phase 2 Qualified Bidder to successfully complete such transactions, including any conditions attached to the bid and the expected feasibility of such conditions, the proposed transaction documents, factors affecting the speed, certainty and value of the transaction, the assets included or excluded from the bid, any related restructuring costs, compliance or eligibility with respect to the applicable federal and provincial legislation requirements, the likelihood and timing of consummating such transactions, and the ability of the bidder to finance and ultimately consummate the proposed transaction within the timeline established by the Monitor, in consultation with FOUR20.

#### ***Selection of Successful Bids***

30. The Monitor, in consultation with FOUR20, may review and evaluate any or all Phase 2 Qualified Bids with the applicable Phase 2 Qualified Bidders, and such Phase 2 Qualified Bids may be amended, modified or varied as a result of such negotiations.
31. The Monitor, in consultation with FOUR20, will identify the highest or otherwise best bid or bids, including an assessment of the bid(s) to determine whether the bids, or any combination thereof, will allow FOUR20 to achieve its objective of addressing or disposing of all of its assets and liabilities (each, a "**Successful Bid**"), and the Phase 2 Qualified Bidder making such Successful Bid (the "**Successful Bidder**") for any particular Property or the Business in whole or part. The determination of any Successful Bid by the Monitor, in consultation with FOUR20 shall be subject to approval by the Court.
32. The Monitor shall notify the Successful Bidder or Successful Bidders, as the case may be, that their bids constituted the Successful Bid or Bids within ten (10) business days of the date they were notified that their bids constituted Phase 2 Qualified Bids, or at such later time as the Monitor deems appropriate, in consultation with FOUR20.
33. FOUR20 shall have no obligation to select a Successful Bid, and the Monitor, in consultation with FOUR20, reserves the right to reject any or all Phase 2 Qualified Bids. Further, FOUR20 shall have no obligation to enter into a definitive agreement with a Phase 2 Qualified Bidder.

#### ***Sale Approval Application***

34. FOUR20 shall apply to the Court (the "**Approval Application**") for orders approving any Successful Bid(s) and authorizing FOUR20 to enter into any and all necessary agreements with respect to the Successful Bid(s).
35. The Approval Application will be held on a date to be scheduled by FOUR20 with the Court, in consultation with the Monitor. The Approval Application may be adjourned or rescheduled by FOUR20, in consultation with the Monitor, without further notice, by an announcement of the adjourned date at the Approval Application or in a notice to the service list prior to the Approval Application.
36. All the Phase 2 Qualified Bids other than the Successful Bid(s), if any, shall be deemed rejected by the Monitor on and as of the date of approval of the Successful Bid(s) by the Court, but not before, and shall remain open for acceptance until that time.

#### ***Deposits***

37. All Deposits shall be retained by the Monitor in a non-interest bearing trust account. If there is a Successful Bid, the Deposit paid by the Successful Bidder whose bid is approved at the Approval Application shall be applied against the purchase price to be paid by the Successful Bidder upon closing of the approved transaction and will become non-refundable. The Deposits of Phase 2 Qualified Bidders not selected as a Successful Bidder shall be returned to such bidders within five (5) business days of the date upon which the Approval Order is granted by the Court. If there is no Successful Bid, all Deposits shall be returned to the bidders within five (5) business days of the date upon which this SISP terminates in accordance with these procedures.

#### ***Confidentiality and Access to Information***

38. Unless otherwise set out herein, participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Phase 1 Qualified Bidders, LOIs, Phase 2 Qualified Bidders, Phase 2 Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Monitor and such other bidders or Potential Bidders in connection with the SISP. The Monitor may however, with the consent of the applicable participants, disclose such information to other bidders for the purpose of seeking to combine separate bids from Phase 1 Qualified Bidders or Phase 2 Qualified Bidders.
39. The Monitor may consult with any other parties with a material interest in the CCAA Proceedings regarding the status of and material information and developments relating to the SISP to the extent considered appropriate by the Monitor (subject to paragraph 39 and taking into account, among other things, whether any particular party is a Potential Bidder, Phase 1 Qualified Bidder, Phase 2 Qualified Bidder or other participant or prospective participant in the SISP or involved in a bid), provided that such parties shall have entered into confidentiality arrangements satisfactory to the Applicants and the Monitor.

#### ***Supervision of the SISP***

40. The Monitor shall oversee the conduct of the SISP in all respects. Without limitation to that supervisory role, the Monitor will participate in the SISP in the manner set out in this SISP procedure and the SISP Order and is entitled to receive all information in relation to the

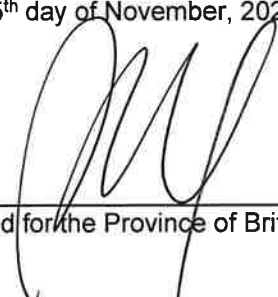


SISP.

41. This SISP does not, and will not be interpreted to create any contractual or other legal relationship between the Monitor and, FOUR20 and any Phase 1 Qualified Bidder, any Phase 2 Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be signed with FOUR20 and approved by the Court. For the avoidance of doubt, the completion of any Sale Proposal or Investment Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.
42. Without limiting the preceding paragraph, the Monitor shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, Successful Bidder, or any other creditor or other stakeholder of FOUR20, for any act or omission related to the process contemplated by this SISP Procedure, except to the extent such act or omission is the result of gross negligence or willful misconduct of the Monitor. By submitting a bid, each Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, or Successful Bidder shall be deemed to have agreed that it has no claim against, FOUR20 or the Monitor for any reason whatsoever, except to the extent such claim is the result of gross negligence or willful misconduct of the Monitor.
43. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any LOI, Phase 2 Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.
44. The Monitor shall have the right, in consultation with FOUR20, to modify the SISP and the deadlines set out herein (including, without limitation, pursuant to the Bid Process Letter) if, in their reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP.
45. This SISP shall terminate in the event that: (a) no Phase 2 Qualified Bidder submits a Qualified Phase 2 Bid by the Phase 2 Bid Deadline, and the Phase 2 Bid Deadline is not otherwise extended by the Monitor; or (b) the Monitor, in consultation with FOUR20, determines that none of the Phase 2 Qualified Bids should be accepted as a Successful Bid.
46. The approvals required pursuant to the terms of this SISP are in addition to, and not in substitution for, any other approvals required by applicable law in order to implement a Successful Bid.
47. In order to discharge its duties in connection with the SISP, the Monitor may engage professional or business advisors or agents as the Monitor deems fit in its sole discretion.
48. At any time during the SISP, the Monitor or FOUR20 may apply to the Court for advice and directions with respect to any aspect of this SISP or the discharge of their respective powers and duties hereunder.
49. In the event that there is disagreement as to the interpretation or application of the SISP, the Court will have jurisdiction to hear and resolve such dispute.

This is Exhibit "E" referred to in the Affidavit of Scott Morrow,  
sworn before me in the City of West Kelowna, in the Province of Alberta,  
on this 25<sup>th</sup> day of November, 2024

8  
BC



\_\_\_\_\_  
A Notary Public in and for the Province of British Columbia

BYRON K. GOERTZ  
Barrister & Solicitor  
#221-3011 LOUIE DRIVE  
WESTBANK, BC V4T 3E3

COURT FILE NUMBER 25-3086318 / B301-086318

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

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

AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED and 420 DISPENSARIES LTD.

APPLICANTS 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED, and 420 DISPENSARIES LTD.

DOCUMENT ORDER (CLAIMS PROCEDURE)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **STIKEMAN ELLIOTT LLP**  
Barristers & Solicitors  
4300 Bankers Hall West  
888-3rd Street SW  
Calgary, AB T2P 5C5

**Karen Fellowes, K.C. / Natasha Doelman**  
Tel: (403) 724-9469 / (403) 781-9196  
Fax: (403) 266-9034  
Email: [kfellowes@stikeman.com](mailto:kfellowes@stikeman.com) / [ndoelman@stikeman.com](mailto:ndoelman@stikeman.com)  
File No.: 155857.1002

Clerk's stamp



**DATE ON WHICH ORDER WAS PRONOUNCED:** September 19, 2024

**LOCATION WHERE ORDER WAS PRONOUNCED:** Calgary, Alberta

**JUSTICE WHO MADE THIS ORDER:** The Honourable Justice Jones

**UPON** the application of Applicants, 420 Investments Ltd. ("**420 Parent**"), 420 Premium Markets Ltd. ("**420 Premium**"), Green Rock Cannabis (EC 1) Limited ("**GRC**") and 420 Dispensaries Ltd. ("**420 Dispensaries**") (collectively, "**FOUR20**" or the "**Applicants**"); **AND UPON** having reviewed the Affidavit of Scott Morrow, sworn September 10, 2024; **AND UPON** reading the Third Report of the Proposal Trustee and Pre-Filing Report of the Monitor, KSV Restructuring Inc. dated September 13, 2024 (the "**Monitor**"); **AND UPON** hearing from counsel for the Applicants, counsel for the Monitor, and any other interested party; **AND UPON** being satisfied that the Applicants have acted and continue to act in good faith and with due diligence and that circumstances exist that make this Order appropriate;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. The time for service of this application is hereby abridged and deemed good and sufficient and this application is properly returnable today, and no other person other than those persons served is entitled to service of this application.

**DEFINITIONS**

2. Any capitalized term used and not defined herein shall have the meaning ascribed thereto in the Amended and Restated Initial Order granted in these proceedings by the Honourable Justice Jones on September 19, 2024 (the "ARIO").
3. For purposes of this Order, the following terms shall have the following meanings:
  - (a) "Accepted Claim" means a Claim of a Claimant as finally accepted by the Monitor, or determined by the Court, in accordance with this Order;
  - (b) "Business Day" means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Calgary, Alberta;
  - (c) "Claim" means a Pre-Filing Claim, a Restructuring Claim and a D&O Claim;
  - (d) "Claimant" any Person asserting a Claim and includes the transferee or assignee of a Claim, transferred and recognized in accordance with paragraphs 19 and 20 hereof or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person;
  - (e) "Claims Bar Date" means 5:00 p.m. (prevailing Calgary time) on October 20, 2024;
  - (f) "Claims Procedure" means the procedure outlined in this Order, including Schedules attached hereto;
  - (g) "Court" means the Court of King's Bench of Alberta;
  - (h) "Director" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of either of the Applicants, in such capacity;
  - (i) "D&O Claim" means, as against any Director or Officer, in his or her capacity as such, any and all demands, claims (including claims for contribution or indemnity), actions,

causes of action, counterclaims, suits, debts, sums of money, liabilities, accounts, covenants, damages, judgments, orders (including orders for injunctive relief or specific performance and compliance orders), expenses, executions, encumbrances and recoveries on account of any liability, obligation, demand or cause of action of whatever nature that any creditor or other Person has or may be entitled to assert (including for, in respect of or arising out of environmental matters, pensions or post-employment benefits or alleged wrongful or oppressive conduct, misrepresentation, fraud or breach of fiduciary duty), whether known or unknown, matured or unmatured, contingent or actual, direct, indirect or derivative, at common law, in equity or under statute, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing, matter or occurrence that in any way relate to or arise out of or in connection with (i) any Pre-Filing Claim; (ii) the assets, obligations, business or affairs of the Applicants, but "D&O Claim" does not include a claim that cannot be compromised due to the provisions of subsection 5.1(2) of the CCAA;

- (j) **"Filing Date"** means May 29, 2024;
- (k) **"Instruction Letter"** means the instruction letter substantially in the form attached hereto as Schedule "B";
- (l) **"Notice to Claimants"** means the notice for publication by the Monitor substantially in the form attached hereto as Schedule "A";
- (m) **"Notice of Dispute"** means a notice delivered to the Monitor by a Claimant disputing a Notice of Revision or Disallowance, which notice shall be substantially in the form attached hereto as Schedule "E";
- (n) **"Notice of Revision or Disallowance"** means a notice delivered by the Monitor informing a Claimant that the Monitor has revised or disallowed such Claimant's Claim, which notice shall be substantially in the form attached hereto as Schedule "D";
- (o) **"Officer"** means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of either of the Applicants, in such capacity;
- (p) **"Person"** means any individual, partnership, firm, joint venture, trust, entity, corporation, unincorporated organization, union, pension plan administrator, pension plan regulator, governmental authority, ministry or agency, regulatory body, labour board, employee, legal representative or litigation guardian, or other association, or similar entity,

howsoever designated or constituted;

- (q) **"Pre-Filing Claim"** means any right of claim of any Person that may be asserted or made in whole or in part against any of the Applicants, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (international or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive, or otherwise), and whether or not such indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against any of the Applicants with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof that (A) is based in whole or in part on facts existing prior to the Filing Date, (B) relates to a time period prior to the Filing Date, or (C) is a right or claim of any kind that would be claim provable in bankruptcy within the meaning of the BIA had the Applicant become bankrupt on the Filing Date, including for greater certainty any claim against any of the Applicants for indemnification by any Directors or Officers in respect of a D&O Claim;
- (r) **"Proof of Claim"** means the proof of claim referred to herein to be filed by Claimants in connection with any Claim, substantially in the form attached as Schedule "C", which shall include all supporting documentation in respect of such Claim;
- (s) **"Restructuring Claim"** means any right of claim of any Person against any of the Applicants in connection with any indebtedness, liability or obligation of any kind whatsoever owed by any such Applicant to such Person arising out of the restructuring, disclaimer, repudiation, rescission or termination by such Applicant on or after the Filing Date of any contract, lease, other agreement or obligation whether written or oral; and
- (t) **"Monitor's Website"** means <https://www.ksvadvisory.com/experience/case/420>.

4. All references as to time herein shall mean local time in Calgary, Alberta and any references to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless

otherwise indicated herein.

5. The Monitor is authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any forms delivered hereunder are completed and executed and the time in which they are submitted and may, where it is satisfied that a Claim has been adequately filed or accepted, waive strict compliance with the requirements of this Claims Procedure as to completion and execution of such forms.

#### **NOTICE TO CLAIMANTS**

6. The Notice to Claimants is hereby approved.
7. The Monitor shall cause the Notice to Claimants to be posted on the Monitor's Website, no later than 5:00 p.m. on September 20, 2024.
8. The Monitor shall cause the Notice to Claimants to be published once in the Globe and Mail (National Edition) as soon as reasonably practical after September 20, 2024.
9. The Claims Procedure and forms of Instruction Letter, Proof of Claim, Notice of Revision or Disallowance and Notice of Dispute are hereby approved. Notwithstanding the foregoing, the Monitor, may from time to time, make minor non-substantive changes to the forms as may be necessary or desirable.
10. The publication of the Notice to Claimants, in accordance with this Order, and the posting of this Order on the Monitor's Website shall constitute good and sufficient service and delivery of notice of this Order and the Claims Bar Date on all Persons and no other notice or service need to be given or made.

#### **DEADLINE FOR FILING A PROOF OF CLAIM**

11. Any Person that intends to assert a Claim shall deliver a Proof of Claim to the Monitor in accordance with paragraphs 21 and 22 herein, together with all relevant supporting documentation in respect of such Claim, so that such Proof of Claim is received by the Monitor by no later than the Claims Bar Date.
12. Any Person who does not deliver a Proof of Claim in accordance with this Order to the Monitor by the Claims Bar Date shall
  - (a) not be entitled to receive further notice with respect to, and shall not be entitled to participate as a Claimant or creditor in, the Claims Procedure or the CCAA Proceedings in respect of such Claim;

- (b) with respect to a Pre-Filing Claim or a Restructuring Claim, be forever barred, estopped and enjoined from asserting or enforcing such Claim against any of the Applicants and the Applicants shall not have any liability whatsoever in respect of such Claim and such Claim shall be extinguished without any further act or notification by the Applicants or the Monitor; and
- (c) with respect to a D&O Claim, be forever barred, estopped and enjoined from asserting or enforcing such Claim against any of the Directors and Officers and the Directors and Officers shall not have any liability whatsoever in respect of such Claim and such Claim shall be extinguished without any further act or notification by the Applicants, the Monitor or the Directors or Officers.

#### **DETERMINATION OF CLAIMS**

13. The Monitor and the Applicants (and in the case of a D&O Claim, in consultation with the applicable Director, Officer and/or Directors' Counsel, if applicable), shall review each Proof of Claim that is received by the Claims Bar Date and may accept, revise or disallow all or any part of the Claim. At any time, the Monitor may request additional information from the Claimant with respect to any Claim.
14. The Monitor and the Applicants (and in the case of a D&O Claim, in consultation with the applicable Director, Officer and/or Directors' Counsel, if applicable) may attempt to consensually resolve the classification or amount of any asserted Claim with the Claimant prior to accepting, revising or disallowing such Claim.
15. If the Monitor and the Applicants (and in the case of a D&O Claim, in consultation with the applicable Director, Officer and/or Directors' Counsel, if applicable) determines to revise or disallow a Claim, the Monitor shall send a Notice of Revision or Disallowance to the Claimant. The failure by the Monitor to send a Notice of Revision or Disallowance shall not result in any Claim being accepted or being deemed to be accepted.
16. If a Claimant disputes the disallowance or revision of its Claim as set forth in a Notice of Revision or Disallowance and such Claimant intends to contest the Notice of Revision or Disallowance then such Claimant shall deliver a Notice of Dispute so that such Notice of Dispute is received by the Monitor by no later than 5:00 p.m. on the day which is fifteen days after the date the Notice of Revision or Disallowance is deemed to be received by the Claimant pursuant to paragraphs 21 and 23 herein or such later date as the Monitor may agree in writing or the Court may order.
17. Any Claimant who fails to deliver a Notice of Dispute to the Monitor by the deadline set forth in paragraph 16 shall be deemed to accept the amount of its Claim as set out in the Notice of



Revision or Disallowance and the Claim as set out in the Notice of Revision or Disallowance shall constitute an Accepted Claim (or, if the Claim is disallowed in full in the Notice of Revision or Disallowance, the applicable Claimant shall be deemed to accept such disallowance and the Claim shall be deemed to be fully disallowed); and any Claim, or any portion thereof, that is disallowed pursuant to a Notice of Revision or Disallowance and in respect of which no Notice of Dispute is received by the Monitor by the deadline set forth in paragraph 16 hereof, shall be forever extinguished, barred, discharged and released as against the Applicants, or in the case of a D&O Claim, against any of the Directors and Officers without any further act or notification.

18. A Claimant who has delivered a Notice of Dispute and who intends to continue to dispute the Notice of Revision or Disallowance must, within ten (10) Business Days of delivery of such Notice of Dispute, file an application with the Court seeking determination of the Claim, which application shall be returnable within seven (7) Business Days of the filing of the application. Any Claimant who fails to file an application in accordance with this paragraph 18 shall: (i) be deemed to accept the amount of its Claim as set out in the Notice of Revision or Disallowance and the Claim as set out in the Notice of Revision or Disallowance shall constitute an Accepted Claim (or, if the Claim is disallowed in full in the Notice of Revision or Disallowance, the applicable Claimant shall be deemed to accept such disallowance and the Claim shall be deemed to be fully disallowed), and (ii) any Claim, or any portion thereof, that is disallowed pursuant to a Notice of Revision or Disallowance and in respect of which no application is filed by the deadline set forth in this paragraph 18 shall be forever extinguished, barred, discharged and released as against the Applicants, or in the case of a D&O Claim, against any of the Directors and Officers without any further act or notification.

#### **NOTICE OF TRANSFERS**

19. If a Claimant or any subsequent holder of a Claim, who has been acknowledged by the Monitor, as the holder of the Claim, transfers or assigns that Claim to another Person, the Monitor shall not be obligated to give notice to or to otherwise deal with the transferee or assignee of the Claim as the holder of such Claim unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been delivered to the Monitor. Thereafter, such transferee or assignee shall, for all purposes hereof, constitute the holder of such Claim and shall be bound by notices given and steps taken in respect of such Claim in accordance with the provisions of this Order.
20. If a Claimant or any subsequent holder of a Claim, who has been acknowledged by the Monitor, as the holder of the Claim, transfers or assigns the whole of such Claim to more than one Person or part of such Claim to another Person, such transfers or assignments shall not create separate Claims and such Claims shall continue to constitute and be dealt with as a single Claim

notwithstanding such transfers or assignments. The Monitor shall not, in each case, be required to recognize or acknowledge any such transfers or assignments and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim, provided such Person or Claimant may, by notice in writing delivered to the Monitor, direct that subsequent dealings in respect of such Claim, but only as a whole, shall be dealt with by a specified Person and in such event such Person shall be bound by any notices given or steps taken in respect of such Claim with such Claimant in accordance with the provisions of this Order.

#### GENERAL

21. Any notice or communication required to be delivered pursuant to the terms of this Order shall be in writing and may be delivered by email or electronic transmission, personal delivery, courier or, as necessary, by prepaid mail to such Persons at the physical or electronic address, as applicable, last shown on the books and records of the Applicants or set out in such Claimant's Proof of Claim. Any such service and delivery shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within Alberta, the fifth Business Day after mailing within Canada (other than within Alberta), and the tenth Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by facsimile transmission or email by 5:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.
22. Any document, notification or notice required to be delivered to the Monitor under this Claims Procedure shall be delivered to:

**To the Monitor:**

KSV RESTRUCTURING INC.  
 1165, 324 – 8th Avenue SW  
 Calgary, AB T2P 2Z2  
 Attention: Andrew Basi ([abasi@ksvadvisory.com](mailto:abasi@ksvadvisory.com))  
 Ross Graham ([rgraham@ksvadvisory.com](mailto:rgraham@ksvadvisory.com))

**With a copy to:**

BENNETT JONES LLP  
 4500, 855 2 Street SW  
 Calgary, AB T2P 4K7  
 Attention: Michael Selnes ([selnesm@bennettjones.com](mailto:selnesm@bennettjones.com))

23. In the event that the day on which any notice or communication required to be delivered pursuant to the Claims Procedure is not a Business Day then such notice or communication shall be required to be delivered on the next Business Day.

24. The Monitor and Applicants (or in the case of a D&O Claim, such applicable Directors or Officers) are authorized to enter into settlement negotiations with a Claimant at any stage of the Claims Procedure and to enter into agreements with Claimants resolving the value of their Claims.
25. This Order shall have full force and effect in all provinces and territories in Canada.
26. This Court hereby requests the aid and recognition of any Court, tribunal, regulatory or administrative bodies, having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist the Applicants, 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 Applicants 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 Applicants and the Monitor and their respective agents in carrying out the terms of this Order.
27. This Order and all of its provisions are effective as of the date of this Order.



---

J.C.C.K.B.A.

SCHEDULE "A"

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

IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF 420 INVESTMENTS LTD., 420  
PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED,  
and 420 DISPENSARIES LTD.  
(collectively, the "Applicants")

---

NOTICE LETTER TO CLAIMANTS REGARDING CLAIMS PROCEDURE

---

**RE: Notice of Claims Procedure, Claims Bar Date & Restructuring Claims Bar Date**

This notice is published pursuant to the Order of the Honourable Justice Jones of the Court of King's Bench of Alberta, dated September 19, 2024 (the "**Claims Procedure Order**"), in the Applicants' proceedings under the *Companies' Creditors Arrangement Act*, RSC 1985, c C- 36, as amended. Pursuant to the Amended and Restated Initial Order dated September 19, 2024, KSV Restructuring Inc. was appointed as monitor of the Applicants (in such capacity, the "**Monitor**"), and pursuant to the Claims Procedure Order will, with the assistance of the Applicants, conduct a Claims Procedure with respect to Claims against the Applicants and their present and former Directors and Officers.

All capitalized terms used herein that are not otherwise defined have the meaning ascribed to them in the Claims Procedure Order.

The Claims Procedure Order, the Claims Package, a Proof of Claim form, and related materials can be accessed on the Monitor's Website at: <https://www.ksvadvisory.com/experience/case/420>. Proof of Claim forms can also be obtained by contacting the Monitor at the address below and providing particulars as to your name, address, facsimile number and email address.

**I. SUBMISSION OF PROOF OF CLAIM**

**Any Person who believes they have a Claim against the Applicants (or any one of them) or their Directors or Officers shall submit their Claim in a Proof of Claim form in accordance with the Claims Procedure Order.**

**All Claimants MUST submit their Proof of Claim to the Applicants and the Monitor no later than 5:00 p.m. MST on October 20, 2024 (the "Claims Bar Date").**

Proofs of Claim MUST be submitted by prepaid registered mail, courier, personal delivery, or electronic or digital transmission addressed to the following address:

**To the Applicants:**

STIKEMAN ELLIOTT LLP  
4300, 888 3<sup>rd</sup> Street SW  
Calgary, AB T2P 5C5

Attention: Karen Fellowes ([kfellowes@stikeman.com](mailto:kfellowes@stikeman.com))  
Natasha Doelman ([ndoelman@stikeman.com](mailto:ndoelman@stikeman.com))

**To the Monitor:**

KSV RESTRUCTURING INC.  
1165, 324 – 8th Avenue SW  
Calgary, AB T2P 2Z2  
Attention: Andrew Basi ([abasi@ksvadvisory.com](mailto:abasi@ksvadvisory.com))  
Ross Graham ([rgraham@ksvadvisory.com](mailto:rgraham@ksvadvisory.com))

**With a copy to:**

BENNETT JONES LLP  
4500, 855 2 Street SW  
Calgary, AB T2P 4K7  
Attention: Michael Selnes ([selnesm@bennettjones.com](mailto:selnesm@bennettjones.com))

**CLAIMS WHICH ARE NOT RECEIVED BY THE MONITOR BY THE CLAIMS BAR DATE WILL BE FOREVER BARRED FROM MAKING OR ENFORCING ANY CLAIM AGAINST ANY OF THE APPLICANTS, THEIR DIRECTORS, OR THEIR OFFICERS.**

Additional information about these proceedings may be found on the Monitor's Website or may be obtained by contacting the Monitor directly at the address above.

Dated at the City of Calgary, in the Province of Alberta, this [date] of [month], [year].

---

KSV Restructuring Inc.,  
in its capacity as Monitor of the Applicants,  
and not its personal or corporate capacity.

**SCHEDULE "B"**

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

**IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF 420 INVESTMENTS LTD., 420  
PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED,  
and 420 DISPENSARIES LTD.  
(collectively, the "Applicants")**

---

**PROOF OF CLAIM**

---

Please carefully read the Order granted by the Court of King's Bench of Alberta (Commercial List) dated September 19, 2024 (the "Claims Procedure Order") and the enclosed Instruction Letter for completing this Proof of Claim. All capitalized terms used and not defined herein have the meaning ascribed to them in the Claims Procedure Order.

**I. PARTICULARS OF CLAIMANT**

1. Full Legal Name of Claimant:

\_\_\_\_\_ (the "Claimant")  
(Full legal name is the name of the Claimant as of May 29, 2024 (the "Filing Date"), notwithstanding whether an assignment of a Claim, or a portion thereof, has occurred following such date)

2. Attention (Contact Person): \_\_\_\_\_

3. Email Address: \_\_\_\_\_

4. Telephone Number: \_\_\_\_\_

5. Fax Number: \_\_\_\_\_

6. Full Mailing Address of the Claimant:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. Have you acquired this Claim by assignment?

Yes:  No:

*(If yes, attach documents evidencing assignment)*

If yes, Full Legal Name of Original Claimant(s): \_\_\_\_\_

**II. PROOF OF CLAIM**

1. I \_\_\_\_\_  
*(Name of Claimant or authorized representative of the Claimant)*

\_\_\_\_\_ do hereby certify:  
*(City and Province)*

(a) I am (select one):

the Claimant; **or**  
 \_\_\_\_\_ of  
 \_\_\_\_\_  
 (State Position or Title, if applicable)

\_\_\_\_\_  
 (Name of Claimant or authorized representative of the Claimant)

- (b) I have knowledge of all the circumstances connected with the Claim referred to below;  
 (c) I confirm that complete documentation in support of the Claim referred to below is attached; and  
 (d) the Applicants and/or one or more of the Directors or Officers of the Applicants were and still are indebted to the Claimant as follows:<sup>1</sup>

**III. PRE-FILING PROOF OF CLAIM**

Debtor	Pre-Filing Claim Amount	Nature of Claim (Secured, Priority, Unsecured or Secured)	Value of Security Held (if any)
420 Investments Ltd.	CAD\$		
Directors and Officers of 420 Investments Ltd.  _____ (Insert names above)	CAD\$		
420 Premium Markets Ltd.	CAD\$		
Directors and Officers of 420 Premium Markets Ltd.  _____ (Insert names above)	CAD\$		
Green Rock Cannabis (EC 1) Limited	CAD\$		
Directors and Officers of Green Rock Cannabis (EC 1) Limited  _____ (Insert names above)	CAD\$		
420 Dispensaries Ltd.	CAD\$		
Directors and Officers of 420 Dispensaries Ltd.	CAD\$		

<sup>1</sup> All Claims denominated in foreign currency shall be converted to Canadian dollars at the Bank of Canada daily average exchange rate in effect on the Filing Date of May 29, 2024.

**V. PARTICULARS OF CLAIM**

The particulars of the undersigned's total Claim are attached.

*(Please provide full particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) or legal breach(es) giving rise to the Claim, name of any guarantor(s) which has guaranteed the Claim, particulars and copies of any security and amount of Claim allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed. If a Claim is made against any Directors or Officers, specify the applicable Directors or Officers and the legal basis for the Claim against each of them)*

**VI. FILING OF CLAIM**

For all Claims (D&O Claims, Pre-Filing Claims, and Restructuring Claims) this Proof of Claim MUST be received by the Monitor by **5:00pm (MT) on October 20, 2024** (the "**Claims Bar Date**").

This Proof of Claim shall be delivered in writing and **will be sufficiently given only if delivered by email**, or, if you are unable to deliver by email, on consent of the Monitor, by mail, courier, or personal delivery, addressed to:

**To the Applicants:**

STIKEMAN ELLIOTT LLP  
4300, 888 3<sup>rd</sup> Street SW  
Calgary, AB T2P 5C5  
Attention: Karen Fellowes ([kfellowes@stikeman.com](mailto:kfellowes@stikeman.com))  
Natasha Doelman ([ndoelman@stikeman.com](mailto:ndoelman@stikeman.com))

**To the Monitor:**

KSV RESTRUCTURING INC.  
1165, 324 – 8th Avenue SW  
Calgary, AB T2P 2Z2  
Attention: Andrew Basi ([abasi@ksvadvisory.com](mailto:abasi@ksvadvisory.com))  
Ross Graham ([rgraham@ksvadvisory.com](mailto:rgraham@ksvadvisory.com))

**With a copy to:**

BENNETT JONES LLP  
4500, 855 2 Street SW  
Calgary, AB T2P 4K7  
Attention: Michael Selnes ([selnesm@bennettjones.com](mailto:selnesm@bennettjones.com))

Any such notice or communication delivered by a Claimant shall be deemed to be received upon actual receipt thereof before 4:00pm (MT) on a Business Day or if delivered outside of normal business hours, the next Business Day.

**PROOFS OF CLAIM MUST BE RECEIVED BY THE MONITOR BY THE CLAIMS BAR DATE OR YOUR CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED.**

DATED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Signature of Claimant



## SCHEDULE "C"

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

IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF 420 INVESTMENTS LTD., 420  
PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED,  
and 420 DISPENSARIES LTD.  
(collectively, the "Applicants")

---

## INSTRUCTION LETTER

---

### I. CLAIMS PROCEDURE

By Order of the Court of King's Bench of Alberta (Commercial List) dated September 19, 2024 (the "Claims Procedure Order"), KSV Restructuring Inc., in its capacity as the Court-appointed monitor (in such capacity, the "Monitor") of the Applicants, has been authorized, with the assistance of the Applicants, to conduct a claims procedure (the "Claims Procedure") with respect to Claims against the Applicants and their present or former Directors and Officers. The Claims Procedure Order governs the filing and determination of all Claims against the Applicants.

Unless otherwise defined, all capitalized terms used herein shall have the meanings ascribed to them in the Claims Procedure Order.

The Claims Procedure Order, the Claims Package, a Proof of Claim form and related materials may be accessed from the Monitor's Website at <https://www.ksvadvisory.com/experience/case/420>.

This letter provides instructions for responding to or completing the Proof of Claim. Reference should be made to the Claims Procedure Order for a complete description of the Claims Procedure.

The Claims Procedure is intended for any Person with any Claims of any kind or nature whatsoever against the Applicants, the Directors or Officers or any of them, whether liquidated, unliquidated, contingent or otherwise. Please review the Claims Procedure Order for the complete definitions of "Claims", "Claims Bar Date" and "Claimant".

All enquiries with respect to the Claims Procedure should be addressed to the Monitor at [abasi@ksvadvisory.com](mailto:abasi@ksvadvisory.com) or via the telephone (Phone: 1-587-287-2670), provided, however, that formal notices to the Monitor must be delivered as set out below.

### II. CLAIMANTS SUBMITTING A PROOF OF CLAIM

If you believe that you have a Claim that you wish to assert against the Applicants and/or the Directors or Officers, you **MUST** file a Proof of Claim with the Monitor.

All Proofs of Claim for Pre-Filing Claims and Restructuring Claims must be received by the Monitor **before 5:00 p.m. (MT) on October 20, 2024** (the "Claims Bar Date").

Any notice or communication required to be provided or delivered, including, for greater certainty, any Proof of Claim, shall be in writing in substantially the form, if any, provided for in the Claims Procedure Order and **will be sufficiently given only if delivered by email**, or, if a Claimant is unable to do so, and with the consent of the Monitor, by mail, courier, or personal delivery, addressed to:

**To the Applicants:**

STIKEMAN ELLIOTT LLP  
4300, 888 3<sup>rd</sup> Street SW  
Calgary, AB T2P 5C5  
Attention: Karen Fellowes ([kfellowes@stikeman.com](mailto:kfellowes@stikeman.com))  
Natasha Doelman ([ndoelman@stikeman.com](mailto:ndoelman@stikeman.com))

**To the Monitor:**

KSV RESTRUCTURING INC.  
1165, 324 – 8th Avenue SW  
Calgary, AB T2P 2Z2  
Attention: Andrew Basi ([abasi@ksvadvisory.com](mailto:abasi@ksvadvisory.com))  
Ross Graham ([rgraham@ksvadvisory.com](mailto:rgraham@ksvadvisory.com))

**With a copy to:**

BENNETT JONES LLP  
4500, 855 2 Street SW  
Calgary, AB T2P 4K7  
Attention: Michael Selnes ([selnesm@bennettjones.com](mailto:selnesm@bennettjones.com))

Any such notice or communication delivered by a Claimant shall be deemed to be received upon actual receipt thereof before 5:00 p.m. (MT) on a Business Day or if delivered outside of normal business hours, the next Business Day.

**PROOFS OF CLAIM MUST BE RECEIVED BY THE MONITOR BY THE APPLICABLE CLAIMS BAR DATES OR THE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED.**

All Claims denominated in foreign currency shall be converted to Canadian dollars at the Bank of Canada daily average exchange rate in effect on the Filing Date of June 5, 2023.

Additional Proof of Claim forms can be obtained by contacting the Monitor at the telephone number. In addition, Proofs of Claim and related materials may be accessed from the Monitor's Website at <https://www.ksvadvisory.com/experience/case/420>.

**IV. MONITOR CONTACT INFORMATION**

All enquiries with respect to the Claims Procedure should be addressed to the Monitor as set out above.

DATED at Calgary, Alberta this \_\_\_\_ day of September, 2024.

---

KSV Restructuring Inc.,  
solely in its capacity as Monitor of the  
Applicants and not in its personal  
capacity.

**SCHEDULE "D"**

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

**IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF 420 INVESTMENTS LTD., 420  
PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED, and 420 DISPENSARIES  
LTD.**

**NOTICE OF REVISION OR DISALLOWANCE**

TO:

Reference #:

**PLEASE TAKE NOTICE** that this Notice of Revision or Disallowance is being sent pursuant to an Order of the Court of King's Bench of Alberta (Commercial List) dated September 19, 2024 (the "**Claims Procedure Order**"). All capitalized terms used and not otherwise defined in this Notice of Revision or Disallowance shall have the meaning ascribed to them in the Claims Procedure Order, which is available on the Monitor's Website at <https://www.ksvadvisory.com/experience/case/420>.

The Monitor has reviewed your Proof of Claim dated \_\_\_\_\_, 2024, and has revised or disallowed your claim for the following reasons:

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

Subject to further dispute by you in accordance with the provisions of the Claim Procedure Order, your Claim will be as follows:

<b>Claim Against</b>	<b>Type of Claim per Proof of Claim</b>	<b>Amount of Claim per Proof of Claim</b>	<b>Type of Claim per this Notice of Revision or Disallowance</b>	<b>Amount of Claim per this Notice of Revision or Disallowance</b>
[Inset name of appropriate party]	[Pre-Filing Claim/Restructuring Claim/D&O Claim]  [Unsecured Claim/Unsecured Priority Claim/Secured Claim]	CA\$	[Pre-Filing Claim/Restructuring Claim/D&O Claim]  [Unsecured Claim/Unsecured Priority Claim/Secured Claim]	CA\$

**IF YOU INTEND TO DISPUTE THIS NOTICE OF REVISION OR DISALLOWANCE, you shall, within fourteen (14) calendar days of the date of this Notice of Revision or Disallowance, deliver a Notice of Dispute in the form attached hereto in writing to the Applicants and the Monitor *which will be sufficiently given only if delivered by email* (in PDF format), or, if you are unable to deliver by email, with the Monitor's consent, by mail, courier or personal delivery addressed to:**

**To the Applicants:**

STIKEMAN ELLIOTT LLP  
4300, 888 3<sup>rd</sup> Street SW  
Calgary, AB T2P 5C5  
Attention: Karen Fellowes ([kfellowes@stikeman.com](mailto:kfellowes@stikeman.com))  
Natasha Doelman ([ndoelman@stikeman.com](mailto:ndoelman@stikeman.com))

**To the Monitor:**

KSV RESTRUCTURING INC.  
1165, 324 – 8th Avenue SW  
Calgary, AB T2P 2Z2  
Attention: Andrew Basi ([abasi@ksvadvisory.com](mailto:abasi@ksvadvisory.com))  
Ross Graham ([rgraham@ksvadvisory.com](mailto:rgraham@ksvadvisory.com))

**With a copy to:**

BENNETT JONES LLP  
4500, 855 2 Street SW  
Calgary, AB T2P 4K7  
Attention: Michael Selnes ([selnesm@bennettjones.com](mailto:selnesm@bennettjones.com))

Any such notice or communication delivered by a Claimant shall be deemed to be received upon actual receipt thereof before 5:00 p.m. (MT) on a Business Day or if delivered outside of normal business hours, the next Business Day.

**IF YOU FAIL TO TAKE ACTION WITHIN THE PRESCRIBED TIME PERIOD PURSUANT TO THE CLAIMS PROCEDURE ORDER, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.**

**IF YOU AGREE WITH THIS NOTICE OF REVISION OR DISALLOWANCE, there is no need to file anything further with the Monitor.**

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

KSV Restructuring Inc.  
solely in its capacity as Monitor of the  
Applicants and not in its personal capacity.

**SCHEDULE "E"**

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

**IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF 420 INVESTMENTS LTD., 420  
PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED, and 420 DISPENSARIES  
LTD.**

---

**NOTICE OF DISPUTE**

---

**Reference #:**

Pursuant to the Order of the Court of King's Bench of Alberta (Commercial List) dated September 19, 2024 (the "Claims Procedure Order"), I/we hereby give you notice of our intention to dispute the Notice of Revision or Disallowance dated \_\_\_\_\_ issued by KSV Restructuring Inc. in its capacity as Monitor of the Applicants in respect of my/our Claim.

All capitalized terms used and not defined in this Notice of Dispute shall have the meaning ascribed to them in the Claims Procedure Order.

**I. PARTICULARS OF CLAIMANT**

1. Full Legal Name of Claimant:

\_\_\_\_\_ (the "Claimant")  
(Full legal name should be the name of the Claimant of the Applicants or the Directors or Officers as of May 29, 2024 (the "Filing Date"), notwithstanding whether an assignment of a Claim, or a portion thereof, has occurred following that date.)

2. Attention (Contact Person): \_\_\_\_\_

3. Email Address: \_\_\_\_\_

4. Telephone Number: \_\_\_\_\_

5. Fax Number: \_\_\_\_\_

6. Full Mailing Address of the Claimant:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. Have you acquired this Claim by assignment?

Yes:

No:

(If yes and not already provided, attach documents evidencing assignment)

If yes, Full Legal Name of Original Claimant(s): \_\_\_\_\_



**If a completed Notice of Dispute is not received by the Monitor by the dates set out in the Claims Procedure Order and described herein, YOU WILL BE FOREVER BARRED FROM DISPUTING THE CLASSIFICATION, AMOUNT OR NATURE OF YOUR CLAIM.**