

COURT FILE NUMBER 25-3086318 / B301-086318 Clerk's stamp

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 **APPLICATION**

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File No.: 155857.1002

### **NOTICE TO THE RESPONDENT(S)**

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the Court.

To do so, you must be in Court when the application is heard as shown below:

Date: December 5, 2024  
Time: 2:00pm  
Where: Edmonton Law Courts – By Webex (See **Schedule "A"**)  
Before: The Honourable Justice Harris in Commercial Chambers

Go to the end of this document to see what you can do and when you must do it.

**Remedy claimed or sought:**

1. 420 Investments Ltd. ("**420 Parent**"), 420 Premium Markets Ltd. ("**420 Premium**"), Green Rock Cannabis (EC 1) Ltd. ("**GRC**") and 420 Dispensaries Ltd. ("**420 Dispensaries**") (collectively, "**FOUR20**" or the "**Applicants**"), respectfully seek an Order under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**") substantially in the form attached hereto as **Schedule "B"**.
  - (a) abridging the time for serving and deeming service of this Application and supporting materials good and sufficient;
  - (b) 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;
  - (c) 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:
    - i. the originating application of the Applicants seeking the initial order (the "**Initial Order**") under the CCAA (the "**Originating Application**");
    - ii. the application seeking the ARIO;
    - iii. the Affidavit of Scott Morrow sworn on September 10, 2024;
    - iv. the Initial Order;
    - v. the ARIO;
    - vi. the SISP Order (as defined below);
    - vii. the Claims Procedure Order (as defined below);
    - viii. this Application;
    - ix. the Affidavit of Scott Morrow sworn on November 25, 2024
    - x. the first report of the Monitor; and
    - xi. the second report of the Monitor (collectively, the "**CCAA Materials**"); and

- (d) granting such further and other relief as counsel may request and this Honourable Court may deem just.

### **Grounds for making this application:**

#### **Background**

2. On September 19, 2024, the Honourable Justice Jones granted the Applicants the Initial Order under the CCAA.
3. Pursuant to the Initial Order, the proceedings commenced by the Applicants under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**NOI Proceedings**”) were continued under the CCAA, KSV Restructuring Inc. was appointed Monitor of the Applicants (the “**Monitor**”), and a stay of all proceedings, rights and remedies against or in respect of the Applicants, its business or property, or the Monitor was granted until September 29, 2024 (the “**Initial Stay**”).
4. On September 19, 2024, after granting the Initial Order, the Honourable Justice Jones granted the Applicants’ application for the ARIO. Pursuant to the ARIO, the Initial Stay was extended to December 16, 2024 (the “**Stay Period**”).
5. On September 19, 2024, in addition to granting the Initial Order and the ARIO, the Honourable Justice Jones further granted an order approving the Sale and Investment Solicitation Process (the “**SISP**”) sought by the Applicants (the “**SISP Order**”) and an order approving the process for determining all claims against the Applicants (the “**Claims Procedure Order**”).
6. 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.

#### **The SISP**

7. 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

8. Since September 19, 2024, the Applicants have worked diligently and in good faith towards advancing the SISP for the benefit of their stakeholders. The work has taken place in conjunction with, and under the supervision of, the Monitor.
9. In particular, since September 19, 2024, the Applicants have completed Phase I of the SISP and have received multiple non-binding letters of intent from interested parties (the "**Interested Parties**").
10. The Applicants are currently working with the Monitor to determine which of the Interested Parties can advance to Phase II and be invited to submit a binding offer. The Monitor has received detailed diligence requests from certain of the Interested Parties and the Applicants and the Monitor are concerned that the current deadline of November 30, 2024 does not allow enough time for Interested Parties to 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.

11. 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.
12. 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. The Applicants understand that 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.

### **Stay Extension**

13. As a result of the foregoing, an extension of the Stay Period past December 16, 2024 is required to ensure that the SISP can be completed to the benefit of the Applicants and all stakeholders and to complete other ongoing matters in the CCAA Proceedings, including the Claims Process.
14. The Applicants are, and at all times have been, acting in good faith and with due diligence.
15. 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.
16. 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 conclusion.
17. It is appropriate in the circumstances and in the best interests of the Applicants and all stakeholders that the extension of the Stay Period to February 25, 2025 be granted.

### **CCAA Proceedings Court Action Number**

18. When the Applicants sought to file their Originating Application to commence these CCAA Proceedings, they were advised by the Clerk of the Court that the Originating Application had to be filed under the Court action number for the NOI Proceedings, and as a result, no new Court action number was assigned for these CCAA Proceedings
19. In order to correct this clerical error, the Applicants seek an Order from this Honourable Court directing the Clerk of the Court to issue a new Court action number for the CCAA Proceedings and permitting the Applicants to re-file the CCAA Materials under the new Court action number.

**Affidavit or other evidence to be used in support of this application:**

20. The Affidavit of Scott Morrow sworn November 25, 2024;
21. The second report of the Monitor, to be filed; and
22. Such further and other material as counsel may advise and this Honourable Court may permit.

**Applicable Acts and regulations:**

23. *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
24. *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended; and
25. Such further and other Acts and regulations as counsel may advise and this Honourable Court may permit.

**Any irregularity complained of or objection relied on:**

26. None.

**How the application is proposed to be heard or considered:**

27. Before the presiding Justice in Commercial Chambers via Webex.

**WARNING**

You are named as a respondent because you have made or are expected to make an adverse claim in respect of this originating application. If you do not come to Court either in person or by your lawyer, the Court may make an order declaring you and all persons claiming under you to be barred from taking any further proceedings against the applicant(s) and against all persons claiming under the applicant(s). You will be bound by any order the Court makes, or another order might be given or other proceedings taken which the applicant(s) is/are entitled to make without any further notice to you. If you want to take part in the application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

**Schedule "A"**  
**Webex Information**

The above booking is Confirmed  
File #(s) : B301 086318  
Style of Cause: PROPOSAL OF: v. 420 INVESTMENTS LTD.

Date/Duration:  
Dec 05, 2024 02:00 PM  
Total: 120 Minute(s)  
Booking Type/List: Commercial  
Purpose of Hearing: Commercial Hearing  
Counsel: Karen Linda Fellowes;Natasha Elaine Ada Doelman;Archer James Gleim Bell;Michael William Selnes;  
Special Requirements:  
Requirements: Courtroom Required  
Equipment: Video Conferencing

**Counsel: Please ensure that all relevant parties have received Webex information.**

**Virtual Courtroom 86** has been assigned for the above noted matter:

Virtual Courtroom Link:

<https://albertacourts.webex.com/meet/virtual.courtroom86>

Instructions for Connecting to the Meeting

1. Click on the link above or open up Chrome or Firefox and cut and paste it into your browser address bar.
2. If you do not have the Cisco Webex application already installed on your device, the site will have a button to install it. Follow installation instructions. Enter your full name and email address when prompted
3. Click on the **Open Cisco Webex Meeting**.
4. You will see a preview screen. Click on **Join Meeting**.

Key considerations for those attending:

1. Please connect to the courtroom **15 minutes prior** to the start of the hearing.
2. Please ensure that your microphone is muted and remains muted for the duration of the proceeding, unless you are speaking. Ensure that you state your name each time you speak.
3. If bandwidth becomes an issue, some participants may be asked to turn off their video and participate by audio only.
4. **Note: Recording or rebroadcasting of the video is prohibited.**
5. **Note: It is highly recommended you use headphones with a microphone or a headset when using Webex. This prevents feedback.**

For more information relating to Webex protocols and procedures, please visit:  
<https://www.albertacourts.ca/qb/court-operations-schedules/webex-remote-hearings-protocol>



You can also join the meeting via the “Cisco Webex Meetings” App on your smartphone/tablet or other smart device. You can download this via the App marketplace and join via the link provided above.

**Schedule "B"**  
**Proposed Form of Order**

COURT FILE NUMBER

Clerk's stamp

COURT

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MATTER

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

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APPLICANTS

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DOCUMENT

**ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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File No.: 155857.1002

**DATE ON WHICH ORDER WAS PRONOUNCED:**

December 5, 2024

**LOCATION WHERE ORDER WAS PRONOUNCED:**

Edmonton, Alberta

**JUSTICE WHO MADE THIS ORDER:**

The Honourable Justice Harris

**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 Application, the Affidavit of Scott Morrow sworn on November 25, 2024 (the "**Morrow Affidavit**"); and the Affidavit of Service of Jessica Watts sworn [●], 2024; **AND UPON** reading the second report of KSV Restructuring Inc. (the "**Monitor**") dated [●], 2024; **AND UPON** hearing submissions by counsel for the Applicants, counsel for the Monitor, and any other counsel or other interested parties present;

**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.

## **EXTENSION OF THE STAY PERIOD**

2. The Stay Period, as defined in paragraph 14 of the Amended and Restated Initial Order (the “**ARIO**”) granted in these proceedings by the Honourable Justice Jones on September 19, 2024 is hereby extended up to and including February 25, 2025.

## **COURT ACTION NUMBER**

3. The Clerk of this Court is hereby directed to assign a new Court action number for the herein proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”).
4. The Applicants are hereby permitted 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;
  - (b) the application seeking the ARIO;
  - (c) the Affidavit of Scott Morrow sworn on September 10, 2024;
  - (d) the Initial Order;
  - (e) the ARIO;
  - (f) the order seeking approval of the Sales and Investment Solicitation Process;
  - (g) the order approving the process for determining all claims against the Applicants;
  - (h) this Application;
  - (i) the Affidavit of Scott Morrow sworn on November 25, 2024;
  - (j) the first report of the Monitor; and
  - (k) the second report of the Monitor.

**MISCELLANEOUS**

5. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

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Justice of the Court of King's Bench of Alberta