



SUPERIOR COURT OF JUSTICE

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-23-00709183-00CL

DATE: November 17, 2023

NO. ON LIST: 4

TITLE OF PROCEEDING: PEOPLES TRUST COMPANY

-v-

CROWN CREST CAPITAL MANAGEMENT CORP. et al.

BEFORE: JUSTICE CONWAY

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

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For Defendant, Respondent, Responding Party:

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For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Miranda Spence	HWS Consulting Inc., CRO	mspence@airdberlis.com
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ENDORSEMENT OF JUSTICE CONWAY:

- [1] **All defined terms used in this Endorsement shall, unless otherwise defined, have the meanings ascribed to them in the Factum of the Applicant dated November 16, 2023.**
- [2] On November 9, 2023, I granted the November 9 Initial Order. The Applicant now seeks, on this comeback motion, the ARIO that provides for an extension of the stay to February 10, 2024, an increase in the maximum borrowings under the DIP Facility, an increase in the Administration Charge to \$1.5 million, and approval to make payments to third party suppliers of up to \$750,000 (if in the CRO's opinion, they are critical to the business). The Monitor supports all of the relief sought, as outlined in the First Report.
- [3] MNP's counsel attended and advised the court that he has had discussions with the Monitor and certain information has now been provided by PTC's counsel. MNP is not opposing the relief sought in the ARIO.
- [4] Counsel for the proposed class action plaintiffs made submissions to the court. Although they do not oppose the issuance of the ARIO (including the extension of the stay), they requested certain reservation of rights language in the order itself – specifically with respect to the DIP security and the limitation of liability in favour of the Monitor and CRO.
- [5] The proposed class action plaintiffs brought to the court's attention the serious allegations they are making about the manner in which the Respondents' business has been conducted. They have a pending certification motion and a summary judgment motion scheduled to be heard in October 2024. There has been no adjudication of these allegations yet and they are being vigorously defended by the Respondents.
- [6] I decline to include the requested reservation of rights language in the ARIO. In my view, and as I stated in my November 9, 2023 endorsement, the court makes no comment with respect to any practices or operations that may be the subject matter of any litigation and there is nothing in the ARIO to that effect.
- [7] The relief sought in the ARIO is acceptable to me, subject to one change. I have required counsel to reduce the maximum amount of the DIP that can be drawn to \$10 million (instead of \$15 million) as that is more in line with the cash needs of the business set out in the forecast prepared by the Monitor. Mr. Prophet also agreed with Mr. Ullman to delete paragraph 21(c) of the order.

- [8] The extension of the stay is granted as is the increase in the Administration Charge and the ability to make payments to key suppliers. I am satisfied that the Respondents, under the stewardship of the CRO, are acting in good faith and with due diligence. The extension will not materially prejudice any creditors as the Respondents are projected to have sufficient funding during the stay period.
- [9] ARIO to go as signed by me and attached to this Endorsement. This order is effective from today's date and is enforceable without the need for entry and filing.

A handwritten signature in blue ink, appearing to read "Conway J.", is written in a cursive style.