Court File No. CV-25-00743485-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF 1001400034 ONTARIO INC.

FACTUM OF THE MONITOR
(Returnable March 24, 2026)

March 19, 2026

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TO: **TO THE SERVICE LIST**

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TABLE OF CONTENTS

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FACTUM OF THE MONITOR

PART I - OVERVIEW[1]

1. This factum is filed by Grant Thornton Limited ("**GTL**") in its capacity as Court-appointed monitor (in such capacity, the "**Monitor**") of 1001400034 Ontario Inc. ("**ResidualCo**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), in support of its Motion for an order (the "**CCAA Termination Order**"), seeking, among other things:

(a) approval of the Monitor's fifth report to the Court dated January 17, 2026 (the "**Fifth Report**") and the Monitor's sixth report to the Court dated March 17, 2026 (the "**Sixth Report**", collectively the "**Reports**"), and the activities and conduct of the Monitor described therein;

(b) approval of the fees and disbursements and the revised estimated final fees to complete CCAA Proceedings of $10,000 (the "**Revised Final Fees**") of the Monitor and its counsel, Cassels Brock & Blackwell LLP ("**Cassels**") and as set out in the Affidavit of Jason Kanji sworn March 16, 2026 and the Affidavit of Natalie E. Levine

[1] Unless otherwise defined herein, capitalized terms have the meanings assigned to them in the Sixth Report of the Monitor, dated March 17, 2026 ["Sixth Report"], the ARIO (as defined herein), or the Approval and Reverse Vesting Order of the Honourable Mr. Justice Myers dated October 30, 2025 (the "**Approval and Vesting Order**").

sworn March 17, 2026 (the "**Fee Affidavits**"), attached as appendices to the Sixth Report, including the Revised Final Fees (as defined below);

(c) upon service of a certificate by the Monitor certifying that, to the knowledge of the Monitor, all matters to be attended to in connection with these CCAA Proceedings have been completed (the "**Monitor's Termination Certificate**"), termination of these CCAA Proceedings, Charges and discharge of GTL in its capacity as Monitor (the "**CCAA Termination Time**");

(d) releases of the Monitor and its counsel and their representatives (the "**Monitor Released Parties**") up to and including the CCAA Termination Time, save and except for any gross negligence or wilful misconduct on their part; and

(e) extension of the Stay Period (as defined below) to the CCAA Termination Time.

PART II - SUMMARY OF FACTS

Background [2]

2. On May 22, 2025, on application by Arbat Capital Group Ltd. ("**Arbat Capital**"), a 40% shareholder and the largest creditor of The Second Cup Coffee Company Inc. ("**Second Cup**"), Second Cup was granted creditor-protection under the CCAA, pursuant to an Order (the "**Initial Order"** as amended and restated, the "**ARIO**") of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the "**Court**").[3]

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[2] The full factual record relied upon in support of this Motion is contained in the Monitor's prior reports: Pre-filing Report of the Monitor, dated May 21, 2025; First Report of the Monitor, dated May 28, 2025; Second Report of the Monitor, dated August 18, 2025; Third Report of the Monitor, dated October 20, 2025 ["Third Report"]; Supplement to the Third Report of the Monitor, dated October 29, 2025; Fourth Report of the Monitor, dated January 26, 2026; Fifth Report of the Monitor, dated February 20, 2026 ["Fifth Report"]; Sixth Report.

[3] Sixth Report at paras. 1 and 3; Third Report at para. 12; *Arbat Capital Group Ltd. v the Second Cup Coffee Company Inc.,* Court File No. CV-25-00743485-00CL (Initial Order) dated May 22, 2025 ["Initial Order"]; *Arbat Capital Group Ltd. v Second Cup Coffee Company Inc.,* (Amended and Restated Initial Order) dated May 29, 2025 ["ARIO"].

3. The Initial Order, among other things: (i) appointed GTL as Monitor; (ii) granted an initial stay of proceedings (the "**Stay Period**"); (iii) approved an interim financing term sheet (as amended, the "**DIP Facility Term Sheet**") with Arbat Capital, as lender; and (iv) granted an administration charge, initial directors' charge and DIP Facility Charge (the "**Charges**").[4]

4. Pursuant to subsequent orders of the Court in these CCAA Proceedings:

(a) the Stay Period was extended a number of times and currently expires on March 31, 2026;[5]

(b) the Charges were increased;[6] and

(c) an amended DIP Facility Term Sheet was approved and permitted borrowings thereunder were increased to $1,500,000.[7]

5. On May 29, 2025, this Court granted an order (the "**Claims Identification Order**"), which approved a claims procedure to identify existing claims against Second Cup, and the board of directors.[8]

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[4] Sixth Report at para. 4; Initial Order at paras. 13, 21, 23, 35.
[5] *Arbat Capital Group Ltd. v the Second Cup Coffee Company Inc.*, Court File No. CV-25-00743485-00CL (Stay Extension Order) dated August 21, 2025 ["August 2025 Stay Extension Order"] at para. 3; *Arbat Capital Group Ltd. v the Second Cup Coffee Company Inc.*, Court File No. CV-25-00743485-00CL (Ancillary Order) dated October 30, 2025 ["October 2025 Ancillary Order"] at para. 3; *Arbat Capital Group Ltd. v the Second Cup Coffee Company Inc.*, Court File No. CV-25-00743485-00CL (Order) dated January 29, 2026 ["January 2026 Stay Extension Order"] at para. 6; *Arbat Capital Group Ltd. v the Second Cup Coffee Company Inc.*, Court File No. CV-25-00743485-00CL (February 2025 Stay Extension Order) dated February 25, 2026 ["February 2026 Stay Extension Order"] at para. 2.
[6] ARIO at para. 21.
[7] August 2025 Stay Extension Order at para. 5.
[8] Sixth Report at para. 6; *Arbat Capital Group Ltd. v the Second Cup Coffee Company Inc.*, Court File No. CV-25-00743485-00CL (Claims Identification Order) dated May 29, 2025.

SISP and Approval and Vesting Order

6. On August 21, 2025 the Court approved a sale and investment solicitation process (the "**SISP**"), including a stalking horse subscription agreement (the "**Stalking Horse Agreement**") with Arbat Capital as the stalking horse bidder.[9]

7. The Monitor conducted the SISP and following a multi-round auction (the "**Auction**"), the Stalking Horse Agreement and proposed reverse vesting transaction[10] (the "**Arbat Transaction**") was selected as the winning bid.[11] The Stalking Horse Agreement was amended to reflect the increased purchase price following the Auction (the "**Amended Purchase Agreement**").[12]

8. On October 30, 2025, the Court granted an order (the "**Approval and Vesting Order**"), which among other things:[13]

(a) approved the Amended Purchase Agreement and Arbat Transaction;

(b) expanded the powers of the Monitor to execute agreements or documents in connection with the Arbat Transaction on behalf of Second Cup and expanded the Monitor's powers over ResidualCo post closing; and

(c) approved releases in favour of among others, the Monitor and its counsel based on any claim existing or taking place prior to the Closing Time or arising in connection with or relating to these CCAA Proceedings, the Amended Purchase Agreement or the consummation of the Arbat Transaction.

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[9] Sixth Report at para. 7; *Arbat Capital Group Ltd. v the Second Cup Coffee Company Inc.*, Court File No. CV-25-00743485-00CL (SISP Order) dated August 21, 2025.
[10] Sixth Report at para. 9.
[11] Sixth Report at para. 9.
[12] Sixth Report at para. 9.
[13] ARIO.

The Distribution Order

9. Following payment of amounts contemplated in the Approval and Vesting Order, the Monitor anticipated that there would be funds available for distribution to unsecured creditors with Accepted Claims in accordance with the Claim Identification Order. The Monitor developed a proposed process and distribution waterfall for the estimated distributions (the "**Proposed Distribution Methodology**").[14]

10. On February 4, 2026, the Honourable Justice Steele granted an order (the "**Distribution Order**") which, among other things:[15]

(a) authorized the Monitor, from and after the closing of the Arbat Transaction, to make distributions to satisfy Accepted Claims in accordance with the Proposed Distribution Methodology;

(b) approved the estimated final fees and disbursements of the Monitor and its counsel to complete the remaining activities in the CCAA Proceedings, in an amount not exceeding $100,000, (the "**Final Fees**") and provided that the Monitor and counsel did not need to pass accounts in respect of such amounts but in the event the actual fees and disbursements of the Monitor and its counsel exceed the estimated Final Fees, the Monitor shall return to Court to seek approval to pay such amounts; and

(c) authorized and directed the Monitor to transfer $25,000 from the Closing Payment to GTL for the fees and disbursements in connection with the intended bankruptcy of ResidualCo.

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[14] Fifth Report at paras. 22-34.

[15] *Arbat Capital Group Ltd. v The Second Cup Coffee Company Inc.*, Court File No. CV-25-0074348-00CL (Distribution Order) dated February 4, 2026 ["Distribution Order"]; *Arbat Capital Group Ltd. and the Second Cup Coffee Company Inc*., Court File No. CV-25-00743485-00CL (Endorsement of Justice Jana Steele) dated February 4, 2026 at paras. 6, 9.

Closing of the Arbat Transaction

11. The parties anticipated to close the Arbat Transaction by the end of February 2026 and the Stay Period was set to expire at the end of February. However, there were delays in the receipt of the Closing Payment.[16]

12. On February 25, 2026, the Court granted an order extending the Stay Period to March 31, 2026, to allow time for the Arbat Transaction to close and scheduled a motion for discharge and termination of the CCAA Proceedings for March 24, 2026.[17]

13. The Arbat Transaction closed on March 2, 2026. Pursuant to the terms of the Approval and Vesting Order and the Implementation Steps (as defined therein), ResidualCo was added and Second Cup was removed as a Respondent in the CCAA Proceedings.[18]

14. As a result of delays in closing the Arbat Transaction and additional court hearings, the fees and disbursements of the Monitor and its counsel as secured by the Administration Charge exceed the estimated Final Fees.[19]

15. Pursuant to the Distribution Order and the Proposed Distribution Methodology, the Monitor retained a holdback for potential restructuring period claims. Two restructuring period claims were filed, of which the Monitor has accepted one and rejected the other, which is further described in the Sixth Report of the Monitor dated March 17, 2026.[20]

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[16] Fifth Report at paras. 32-33.
[17] February 2026 Stay Extension Order.
[18] Sixth Report at para. 21.
[19] Sixth Report at para. 53.
[20] Sixth Report at para. 35.

Remaining Activities in the CCAA Proceedings

16. In accordance with the Proposed Distribution Methodology and the Distribution Order the Monitor has updated the anticipated distributions and has made preparations for distributions to creditors. The Monitor intends to make these distributions as soon as reasonably possible.

17. At this time, the remaining activities to be completed in the CCAA Proceedings are administrative and include: (i) administering the distribution to creditors in accordance with the Proposed Distribution Methodology; (ii) preparing the necessary statutory and administrative documents to assign ResidualCo into bankruptcy; and (iii) administering payments to the Monitor and its counsel as secured by the Administration Charge (the "**Remaining Activities**").[21]

PART III - STATEMENT OF ISSUES

18. The issues to be considered on this Motion are whether the Court should:

(a) approve the Reports and the activities and conduct described therein;

(b) approve the fees and disbursements and Revised Final Fees of the Monitor and its counsel;

(c) upon the service by the Monitor of the Monitor's Termination Certificate, terminate these CCAA Proceedings and the Charges and discharge GTL in its capacity as the Monitor;

(d) approve the proposed Releases in favour of the Monitor Released Parties up to and including the CCAA Termination Time; and

(e) extend the Stay Period up to and including the CCAA Termination Time.

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[21] Sixth Report at para. 38.

PART IV - LAW AND ANALYSIS

A. The Reports, Activities and Conduct Should be Approved

19. The Monitor is seeking this Court's approval of the Reports. The Monitor has sought approval of its conduct and activities throughout these CCAA Proceedings and the Court has approved its prior reports.[22]

20. In *Target Canada Co. (Re)* ("***Target Canada***"), Justice Morawetz noted that there are good policy and practical reasons to grant the approval of a monitor's reported activities, including: (i) allowing a monitor to bring its activities before a court; (ii) allowing an opportunity for stakeholders' concerns to be addressed; (iii) enabling a court to satisfy itself that a monitor's activities have been conducted in a prudent and diligent manner; (iv) providing protection for a monitor not otherwise provided by the CCAA; and (v) protecting creditors from delay that may be caused by re-litigation of steps or potential indemnity claims by a monitor.[23]

21. Requests to approve reports of court-appointed monitors is not unusual.[24] The Court considered it would be appropriate to do so in instances where there was no opposition to the approval, the Monitor has acted reasonably and in good faith and there is the "typical language that only the Monitor is entitled to rely on the approval".[25]

22. The Reports and the conduct and activities described therein should be approved for the following reasons:

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[22] *Arbat Capital Group Ltd. v the Second Cup Coffee Company Inc.*, Court File No. CV-25-00743485-00CL (Endorsement of Justice Osborne) dated August 21, 2025 at para. 10; October 2025 Ancillary Order at para. 5; January 2026 Stay Extension Order at para. 3.
[23] *Target Canada Co. (Re)*, 2015 ONSC 7574, at paras. 2, 22-23.
[24] *1001270243 Ontario Inc. v BDC Capital, et al.*, Court File No. CV-25-00739279-00CL (Endorsement of Justice J. Dietrich) dated August 6, 2025 ["*1001270243 Ontario Inc.*, Endorsement of Justice J. Dietrich"] at para. 13.
[25] *1001270243 Ontario Inc.*, Endorsement of Justice J. Dietrich at para. 14.

(a) The proposed CCAA Termination Order includes the limiting language that only the Monitor is entitled to rely on such approval;

(b) The form of proposed CCAA Termination Order with respect to the approval of the Reports and Monitor's activities described therein, is consistent with the language used in *Target Canada* and other recent CCAA proceedings, including this proceeding, and is appropriately limited;[26]

(c) The activities and conduct of the Monitor are fully described in the Reports and such activities and conduct are consistent with the mandate pursuant to the CCAA, the terms of the Initial Order, ARIO and other Orders granted in these CCAA Proceedings;

(d) The Service List was served with the proposed CCAA Termination Order and the Monitor is not aware of any opposition to this relief;[27] and

(e) The Monitor has conducted its activities prudently, reasonably, in good faith and diligently, which have been accretive to the progress of these CCAA Proceedings.

B. The Monitor and its Legal Counsel's Fees Should be Approved

23. Since the fees and disbursements of the Monitor and its legal counsel have exceeded the Final Fees,[28] the Monitor is seeking approval of these amounts[29] and the Revised Final Fees/

24. Paragraph 33 of the ARIO states that the Monitor and its legal counsel are to be paid their reasonable fees and disbursements at their standard rates and charges, incurred as part of the

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[26] *Aleafia Health Inc. et al.*, Court File No. CV-23-00703350-00CL (CCAA Termination Order) dated March 1, 2024; *1001270243 Ontario Inc.*, Court File No. CV-25-00739279-00CL (CCAA Termination and Scheduling Order) dated August 6, 2025 ["*1001270243 Ontario Inc.*, CCAA Termination Order"]; *Chesswood Group Limited et al.*, Court File No. CV-24-00730212-00CL (CCAA Termination Order) dated January 23, 2026 ["*Chesswood Group Limited et al.*, CCAA Termination Order"]; *Innovere Medical Inc.*, Court File No. CV-24-00730634-00CL (Stay Extension, Fee Approval and CCAA Termination Order) dated January 13, 2026 ["*Innovere Medical Inc.*, CCAA Termination Order"].
[27] Lawyers Certificate of Service of Joshua Gordon dated March 18, 2026.
[28] Sixth Report at para. 53.
[29] Sixth Report at paras. 51-54.

costs of these CCAA Proceedings.[30] Paragraph 34 of the ARIO provides that the Monitor and its counsel shall pass their accounts from time to time.[31]

25. The Distribution Order approved the Final Fees and provided the Monitor does not need to pass accounts but required the Monitor to return to Court in the event the fees and disbursements incurred exceeded the estimated Final Fees.[32]

26. This Court routinely approves the fees and disbursements of court-appointed Monitors and their counsel regularly, including approving estimated fees to complete a CCAA proceeding.[33]

27. When considering whether to approve fees and disbursements, the Court applies the "overriding principle of reasonableness" and does not conduct a detailed docket-by-docket or line-by-line review of the accounts. Instead, the court should evaluate: (i) the nature, scope, and value of the assets administered; (ii) any challenges or complexities encountered; (iii) the degree of cooperation provided by the company, its officers, and employees; (iv) the monitor's expertise, experience, diligence, and responsibilities assumed; (v) the results achieved; and (vi) whether the fees align with the cost of comparable services performed in a prudent and commercial manner.[34]

28. The Monitor is of the view that its fees and disbursements and Revised Final Fees, and those of its legal counsel, are reasonable and should be approved for the following reasons:

(a) **Challenges and complexities**: the Monitor and its counsel incurred additional fees and costs due to delays in receiving the Closing Payment and resultant additional court attendances which were out of its control. The Monitor stepped in to assist with the

[30] ARIO at para. 33.
[31] ARIO at para. 34.
[32] Distribution Order at para. 11.
[33] *1001270243 Ontario Inc.*, CCAA Termination Order at paras. 3-5; *Chesswood Group Limited et al.*, CCAA Termination Order at paras. 16-18; *Innovere Medical Inc.*, CCAA Termination Order at paras. 4-6.
[34] *Nortel Networks Inc.*, 2022 ONSC 6680 at paras. 10-11; *Bank of Nova Scotia v Diemer*, 2014 ONCA 851 at para. 45, aff'ing *Laurentian University of Sudbury*, 2022 ONSC 2927 at para. 9.

receipt of the Closing Payment utilizing its expertise and experience to facilitate and help the parties with the receipt of the funds.

(b) **Expertise and Responsibility assumed**: In accordance with the Approval and Vesting Order and due to the CRO being an interested party in the purchaser entity, the Monitor and its counsel had expanded powers to execute closing documents on behalf of Second Cup. The Monitor and its counsel worked closely and extensively to ensure the closing took place in accordance with the proposed orders including to assist with receipt of the Closing Payments when challenges were encountered.

(c) **Overall results achieved**: The Monitor's activities have been communicated to the Court through its reports to date, including the significant amount of work undertaken by the Monitor and its legal counsel to facilitate the claims process, conducting the SISP and auction, negotiating the Amended Purchase Agreement, assisting with the receipt of the Closing Payment and successfully closing the Arbat Transaction.[35] The efforts of the Monitor and its counsel have resulted in the Closing of the Arbat Transaction, the continuation of the Second Cup Business and future distributions to unsecured creditors with Accepted Claims.

(d) **Comparable fees and costs**: as described in the Fee Affidavits, the rates charged by GTL and Cassels are comparable to the rates charged by other firms in the Toronto market for the provision of similar services.

[35] Sixth Report at para. 57.

C. CCAA Proceedings and Charges Should be Terminated, and Monitor Discharged

29. Upon completing the Remaining Activities and service of the Termination Certificate the Monitor is seeking to terminate these CCAA Proceedings and the Charges, and be discharged as Monitor.[36]

30. Section 11 of the CCAA grants this Court a broad discretionary authority to make "any order it considers appropriate in the circumstances".[37] That discretion, however, is not unlimited and must be exercised in a manner that advances the remedial purposes of the CCAA, including consideration of whether:[38]

(a) the order sought is appropriate in the circumstances;

(b) the debtor company is acting in good faith; and

(c) the debtor company is acting with due diligence.

31. The Court may grant relief under section 11 of the CCAA where doing so "advances the policy objectives underlying the CCAA," including the goals of maximizing creditor recovery and providing a "timely, efficient and impartial resolution of a debtor's insolvency."[39]

32. In furtherance of the remedial purposes of the CCAA, this Court has routinely granted orders similar to the proposed CCAA Termination Order, including orders terminating a debtor company's proceedings under the CCAA and discharging the Court-appointed monitor[40] and

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[36] Sixth Report at para. 39.
[37] *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, s. 11 ["*CCAA*"].
[38] *9354-9186 Québec inc. v. Callidus Capital Corp.,* 2020 SCC 10 at para. 49 ["*Callidus*"].
[39] *Callidus* at paras. 40 and 46, aff'ing *Century Services Inc. v Canada (Attorney General)*, 2010 SCC 60 at para. 70.
[40] *Harte Gold Corp. et al.*, Court File No. CV-21-00673304-00CL (CCAA Distribution and Termination Order) dated February 15, 2022 at paras. 12-17; *1001270243 Ontario Inc.*, CCAA Termination Order at paras. 6-11; *Chesswood Group Limited et al., CCAA Termination Order at par*as. 6-11.

where no material steps remain in a CCAA proceeding or "limited additional matters [need] to be addressed".[41]

33. The Monitor also seeks to terminate the Charges, effective as of the CCAA Termination Time. Upon completion of the Remaining Activities the Monitor is not aware of any remaining claims against the Charges. The Court's jurisdiction to terminate the Charges is found in its broad discretion under section 11 of the CCAA.[42] This relief aligns with previous orders of the Court.[43]

34. It is appropriate for this Court to exercise its jurisdiction to authorize the termination of these CCAA Proceedings and the discharge of the Monitor and the Charges, given that, among other things, following completion of the Remaining Activities, these CCAA Proceedings will have achieved their overall objectives, the parties continue to act in good faith and due diligence, the Charges will no longer be needed, and the only remaining steps to be completed are administrative in nature.

D. The Releases Should be Approved

35. The Monitor is seeking approval of the Releases in favour of the Monitor and its legal counsel (the "**Monitor Released Parties**") from any and all claims against the Monitor Released Parties that relate or arise out of acts or dealings on or before the CCAA Termination Time (the "**Released Claims**").[44]

36. The releases previously granted in the context of the Approval and Vesting Order may be limited to claims taking place prior to closing of the Arbat Transaction.[45]

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[41] *1001270243 Ontario Inc.*, Endorsement of Justice J. Dietrich at para. 17.
[42] *CCAA*, s.11.
[43] *1001270243 Ontario Inc.*, CCAA Termination Order at para. 8; *Aleafia Health Inc. et al.*, Court File No. CV-23-00703350-00CL (Endorsement of Justice Conway) dated March 1, 2024 at para. 5 ["*Aleafia Health Inc. et al.*, Endorsement of Justice Conway"]; *Chesswood Group Limited et al.*, CCAA Termination Order at para. 6.
[44] Sixth Report at para. 43.
[45] Sixth Report at para. 43.

37. It is well-established that courts have jurisdiction to approve releases in CCAA proceedings pursuant to section 11 of the CCAA, and such releases have been routinely granted in orders terminating proceedings under the CCAA.[46]

38. The relevant factors for the Court to consider in determining whether to approve releases in CCAA proceedings include whether:

(a) the claims to be released are rationally connected to the purpose of the plan;

(b) the plan could succeed without the releases;

(c) the parties being released contributed to the plan;

(d) the releases benefit the debtors as well as the creditors generally;

(e) the creditors have knowledge of the nature and effect of the releases; and

(f) the releases are fair, reasonable, and not overly broad.[47]

39. In the case of *Aleafia*, Justice Conway explicitly noted that some overlap between the releases in a CCAA termination order and a reverse vesting order was acceptable since the releases granted in the reverse vesting order context "were given in the context of that transaction" while the releases provided for in the termination order went beyond the previous releases and the releases in the termination order were "appropriately limited in scope".[48]

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[46] *CCAA*, s.11; *Aleafia Health Inc. et al.* Termination Order at para. 19; *1001270243 Ontario Inc.*, CCAA Termination Order at para. 11; *Chesswood Group Limited et al.*, CCAA Termination Order at para. 10; *Innovere Medical Inc.*, CCAA Termination Order at para. 12; *Old Gi Inc. et al*., Court File No. CV-23-00699824-00CL (CCAA Super Monitor and Termination Order) dated August 30, 2023 at para. 27.
[47] *Laurentian University of Sudbury*, 2022 ONSC 5645 at para. 40, aff'ing *Lydian International Limited (Re),* 2020 ONSC 4006 at para. 54; *Re Green Relief Inc, 2020 ONSC 6837* at paras. 27-28.
[48] *Aleafia Health Inc. et al.*, Endorsement of Justice Conway at para. 11.

40. In the present case, the Releases are appropriate and should be granted for the following reasons:

(a) **Rationally Connected:** The Releases are rationally connected to the purpose of the restructuring as the Released Claims only include claims that flow from these CCAA Proceedings.

(b) **Releases are not Overly Broad**: The Releases are designed to allow the Monitor Released Parties to conclude this CCAA Proceeding and provide certainty and protection to the court-appointed officer and its counsel. The Releases explicitly do not release or discharge any claim for wilful misconduct or gross negligence and the Monitor is not aware of any person who opposes the relief sought or has asserted a claim covered by the proposed releases.

(c) **Monitor Released Parties have Significantly Contributed**: The Monitor Released Parties have worked diligently and expended significant time to facilitate a going concern restructuring transaction and are working to wind up these CCAA Proceedings and complete the Remaining Activities. The proposed releases are intended to provide certainty and finality for the Monitor Released Parties, who made significant contributions to the restructuring process, and to ensure the Released Parties are fully protected from the Released Claims.

(d) **Creditors have Knowledge**: the proposed releases were included in motion materials served on January 26, 2026 on the Service List. Although the motion for these releases was adjourned, the Service List has been aware of these proposed releases for some time and the Monitor is not aware of any party opposing such relief.

41. Accordingly, the Monitor respectfully submits that proposed Releases are consistent with releases sought in similar Court-approved transactions under the CCAA and are fair and reasonable in the circumstances.

E. The Stay Period Should be Extended

42. The Stay Period currently expires on March 31, 2026. The Monitor seeks to extend the Stay Period up to and including the CCAA Termination Time. The Monitor submits that the test to extend the Stay Period is satisfied.[49]

43. Pursuant to section 11.02(2) of the CCAA, this Court is empowered to extend the stay of proceedings granted to a debtor company.[50] The Court must consider whether: (i) the order sought is appropriate in the circumstances; and (ii) the applicant has been acting in good faith and with due diligence.[51]

44. This Court has previously granted an extension of the stay period in similar proceedings up to and including the date on which the CCAA proceedings terminated.[52]

45. The Monitor submits that extending the Stay Period is warranted for the following reasons:

(a) the Monitor is of the view that no creditor would face material prejudice as a result of the extension of the Stay Period;

(b) the extension will provide sufficient time to complete the distribution to creditors, including allowing time for creditors to deposit their cheques, and for the Monitor to prepare the necessary documents for the bankruptcy filing of ResidualCo; and

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[49] Sixth Report at paras. 45-47.
[50] *CCAA*, s. 11.02(2)-(3).
[51] *CCAA*, s. 11.02(2)-(3); see *Aleafia Health Inc. et al.*, Endorsement of Justice Conway at para. 14.
[52] See e.g. *1001379021 Ontario Inc.,* Court File No. CV-22-00686245-00CL (CCAA Termination Order) dated November 10, 2025 at para. 12; *Superette Inc. et al.,* Court File No. CV-22-00686245-00CL (CCAA Termination Order) dated January 30, 2023 at paras. 3 and 10.

(c) extending the Stay Period will avoid the need for a further request for an additional order extending the Stay Period and will save professional costs that would otherwise be distributed to creditors.[53]

46. The requested extension is reasonable and is intended to provide the Monitor and its legal counsel with the time necessary to address the Remaining Activities. For all of the foregoing reasons, the Monitor requests that the Stay Period be extended up to and including the CCAA Termination Time.

PART V - ORDER REQUESTED

47. For each of the foregoing reasons, the Monitor respectfully requests that this Honourable Court grant the CCAA Termination Order.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 19th day of March, 2026.

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[53] Sixth Report at paras. 47.

SCHEDULE "A"

LIST OF AUTHORITIES

1. *9354-9186 Québec inc. v. Callidus Capital Corp.,* 2020 SCC 10.
2. *1001270243 Ontario Inc.*, Court File No. CV-25-00739279-00CL (CCAA Termination and Scheduling Order) dated August 6, 2025.
3. *1001270243 Ontario Inc. v BDC Capital, et al.*, Court File No. CV-25-00739279-00CL (Endorsement of Justice J. Dietrich) dated August 6, 2025.
4. *1001379021 Ontario Inc.,* Court File No. CV-22-00686245-00CL (CCAA Termination Order) dated November 10, 2025.
5. *Aleafia Health Inc. et al.*, Court File No. CV-23-00703350-00CL (Endorsement of Justice Conway) dated March 1, 2024.
6. *Aleafia Health Inc. et al.*, Court File No. CV-23-00703350-00CL (CCAA Termination Order) dated March 1, 2024.
7. *Arbat Capital Group Ltd. v the Second Cup Coffee Company Inc.,* Court File No. CV-25-00743485-00CL (Initial Order) dated May 22, 2025.
8. *Arbat Capital Group Ltd. v Second Cup Coffee Company Inc.,* (Amended and Restated Initial Order) dated May 29, 2025.
9. *Arbat Capital Group Ltd. v the Second Cup Coffee Company Inc.*, Court File No. CV-25-00743485-00CL (Claims Identification Order) dated May 29, 2025.
10. *Arbat Capital Group Ltd. v the Second Cup Coffee Company Inc.*, Court File No. CV-25-00743485-00CL (Endorsement of Justice Osborne) dated August 21, 2025.
11. *Arbat Capital Group Ltd. v the Second Cup Coffee Company Inc.*, Court File No. CV-25-00743485-00CL (Stay Extension Order) dated August 21, 2025.
12. *Arbat Capital Group Ltd. v the Second Cup Coffee Company Inc.*, Court File No. CV-25-00743485-00CL (SISP Order) dated August 21, 2025.
13. *Arbat Capital Group Ltd. v the Second Cup Coffee Company Inc.,* Court File No. CV-25-00743485-00CL (Approval and Reverse Vesting Order) dated October 30, 2025.
14. *Arbat Capital Group Ltd. v the Second Cup Coffee Company Inc.*, Court File No. CV-25-00743485-00CL (Ancillary Order) dated October 30, 2025.
15. *Arbat Capital Group Ltd. v the Second Cup Coffee Company Inc.*, Court File No. CV-25-00743485-00CL (Order) dated January 29, 2026.
16. *Arbat Capital Group Ltd. v The Second Cup Coffee Company Inc.*, Court File No. CV-25-0074348-00CL (Distribution Order) dated February 4, 2026.
17. *Arbat Capital Group Ltd. and the Second Cup Coffee Company Inc.*, Court File No. CV-25-00743485-00CL (Endorsement of Justice Jana Steele) dated February 4, 2026.
18. *Arbat Capital Group Ltd. v the Second Cup Coffee Company Inc.*, Court File No. CV-25-00743485-00CL (Order) dated February 25, 2026.

19. *Bank of Nova Scotia v Diemer*, 2014 ONCA 851.
20. *Century Services Inc. v Canada (Attorney General)*, 2010 SCC 60.
21. *Chesswood Group Limited et al.*, Court File No. CV-24-00730212-00CL (CCAA Termination Order) dated January 23, 2026.
22. *Green Growth Brands Inc. et al.*, Court File No. CV-20-00641220-00CL (Order Terminating CCAA Proceedings) dated May 19, 2021.
23. *Harte Gold Corp. et al.*, Court File No. CV-21-00673304-00CL (CCAA Distribution and Termination Order) dated February 15, 2022.
24. *Innovere Medical Inc.*, Court File No. CV-24-00730634-00CL (Stay Extension, Fee Approval and CCAA Termination Order) dated January 13, 2026.
25. *Laurentian University of Sudbury*, 2022 ONSC 2927.
26. *Lydian International Limited (Re),* 2020 ONSC 4006.
27. *Nortel Networks Inc.*, 2022 ONSC 6680.
28. *Old Gi Inc. et al.*, Court File No. CV-23-00699824-00CL (CCAA Super Monitor and Termination Order) dated August 30, 2023.
29. *Re Green Relief Inc,* 2020 ONSC 6837.
30. *Superette Inc. et al.*, Court File No. CV-22-00686245-00CL (CCAA Termination Order) dated January 30, 2023.
31. *Target Canada Co. (Re)*, 2015 ONSC 7574.

I certify that I am satisfied as to the authenticity of every authority.

Note: Under the Rules of Civil Procedure, an authority or other document or record that is published on a government website or otherwise by a government printer, in a scholarly journal or by a commercial publisher of research on the subject of the report is presumed to be authentic, absent evidence to the contrary (rule 4.06.1(2.2)).

Date March 19, 2026

Joshua Gordon

SCHEDULE "B"

TEXT OF STATUTES, REGULATIONS & BY - LAWS

***Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36**

General power of court

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

Stays, etc. – other than initial application

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

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

Burden of proof on application

(3) The court shall not make the order unless

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

Court File No. CV-25-00743485-00CL

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 1001400034 ONTARIO INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

FACTUM OF THE MONITOR

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