ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-25-00743485-00CL **DATE: FEBRUARY 04, 2026**

NO. ON LIST: 3

**TITLE OF PROCEEDING: ARBAT CAPITAL GROUP LTD. V.
THE SECOND CUP COFFEE COMPANY INC. ET AL**

BEFORE: JUSTICE JANA STEELE

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
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For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Dylan Gibbs	Counsel for the Respondent, Jim Ragas (debtor), Shareholder and Director	dgibbs@necpal.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Monique Sassi	Counsel for the Court-Appointed Monitor, Grant Thornton Limited	msassi@cassels.com
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Jason Kanji	The Monitor, Grant Thornton Limited	jason.kanji@doane.gt.ca

ENDORSEMENT OF JUSTICE STEELE:

[1] The applicant in these CCAA proceedings is Arbat. Further to Arbat's application, on or about May 22, 2025, Second Cup was granted creditor protection under the CCAA pursuant to the Initial Order. Among other things, Grant Thornton was appointed as the Monitor of Second Cup, various charges were approved, and the initial stay was granted.

[2] Following a Court approved SISP, the ARVO was granted on or about October 30, 2025. Pursuant to the ARVO, the balance of the Closing Payment, following certain Priority Payments and the amounts secured by the Administration Charge, is to be held in trust by the Monitor to fund those costs incurred by the Monitor and its professional advisors to administer ResidualCo post-closing, and make the Distributions.

[3] Further to Kimmel J.'s endorsement, dated January 29, 2026, the applicant, Arbat, seeks an order approving certain distributions (and set-offs) following the completion of the Transaction, sealing confidential appendices to the Monitor's Fourth Report pending the closing of the Transaction, and approving the proposed fee estimate accrual.

[4] No one opposes the relief sought today.

[5] Unless otherwise indicated in this endorsement, capitalized terms shall have the meanings given to them in the applicant's factum.

[6] The applicant seeks authorization for the Monitor to make certain distributions in accordance with the Proposed Distribution Methodology, as set out in the Fourth Report from the Closing Payment to satisfy the Accepted Claims further to the Claims Identification Order. The court has jurisdiction to make such an order, even in the absence of a plan: *Nortel Networks Corp., Re,*2014 ONSC 4777, at paras. 53-55.

[7] I am satisfied that it is reasonable and appropriate to approve the Distributions to be made in accordance with the Proposed Distribution Methodology, as described in the Fourth Report. I am also satisfied that the Set-Off Mechanism should be approved. The Purchaser Group consists of Arbat, Park, and Bortsova, which

parties will be funding the Closing Payment for the Transaction. The Purchaser Group is also entitled to distributions in satisfaction of their respective Accepted Claims. Because the Purchaser Group is both funding the Closing Payment and entitled to receive Purchaser Group Distributions from the same payment, Arbat proposes that the Purchaser Group Distributions be satisfied by set-off. The proposed Set-Off Mechanism will not affect the quantum of the Distributions being paid to the other unsecured creditors with Accepted Claims.

[8] The applicant seeks a sealing order over the confidential appendices to the Monitor's Fourth Report pending further court order. The confidential appendices contain the purchase price for the Transaction and information that could be used to determine the purchase price. I am satisfied that the time limited, and limited in scope, sealing order that is sought satisfies the test set out in *Sienna Club of Canada v. Canada (Minister of Finance)* as modified by *Sherman Estate v. Donovan*. The applicant seeks to seal information that is commercially sensitive. If this information were disclosed, it could negatively affect future attempts to sell the property, should the Transaction fail to close. No stakeholder will be materially prejudiced by the requested sealing order, which applies to only a limited amount of information for a limited period of time.

[9] The Monitor also seeks approval of its final fees, which are estimated to be $100,000 for the wind-down of these CCAA Proceedings (fees post Dec. 31, 2025), and a bankruptcy reserve of $25,000 to administer ResidualCo's bankruptcy. Any remaining funds not needed for these purposes will be distributed in accordance with the Proposed Distribution Methodology or pro rata to the claimants with Accepted Claims. I am satisfied that the Final Fees are fair and reasonable and should be approved. I am also satisfied that the Bankruptcy Reserve should be approved. The funds are intended to fund the costs of the bankruptcy of ResidualCo.

[10] The Order I have signed today dated February 4, 2026 shall be effective immediately without the necessity of issuing and entering.

Date: February 04, 2026 **JUSTICE JANA STEELE**