



SUPERIOR COURT OF JUSTICE

COUNSEL/ENDORSEMENT SLIP

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

DATE: FEBRUARY 5, 2024

NO. ON LIST: 1

TITLE OF PROCEEDING: PEOPLES TRUST COMPANY v.
CROWN CREST CAPITAL MANAGEMENT CORP. et al.

BEFORE: JUSTICE CONWAY

PARTICIPANT INFORMATION

For Moving Party:

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For Other:

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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 Monitor dated January 31, 2024.**

[2] The Monitor brings this motion, for and on behalf of the Debtors, seeking an extension of the Stay Period from February 10, 2024 to May 10, 2024; an amendment of the ARIO to increase the approved borrowings under the DIP Facility from \$10 million to \$15 million; and approval of an increase in the Work Fee payable to the CRO from \$40,000 per month to \$65,000 for a four month period commencing February 2024.

[3] The relief sought is unopposed. The Monitor, in its Second Report, explains in detail its activities over the last few months and the rationale for the relief sought. Mr. Prosperi, the principal of the CRO, has also sworn an affidavit setting out its activities in the Debtors' business and supporting the stay extension sought by the Monitor.

[4] I grant the extension of the Stay Period to May 10, 2024. I am satisfied that the Debtors are acting in good faith and with due diligence and I accept that, per the Updated Cash Flow Forecast, no creditor will be materially prejudiced by the extension. This extension will give the Debtors, the Monitor, and the CRO, with counsel, an opportunity to further their work on stabilizing the business and developing restructuring plans that are in progress. It will also provide an opportunity for counsel to address issues in the proposed class proceedings and the method of adjudicating those issues. Given the comments that I made today at the hearing about having some clarity by the time of the next motion, the Monitor, through its counsel, has undertaken to oversee and coordinate those discussions so that the court is presented with a more concrete path going forward on all of these fronts. I reiterate my earlier endorsement that although I consider it clear from the orders I have signed, the court makes no comment with respect to any practices or operations that may be the subject matter of any litigation.

[5] The increase to the approved borrowing under the DIP Facility is warranted given the Debtors' liquidity requirements over the Forecast Period.

[6] The CRO Work Fee reflects the time and effort being expended by the CRO on the Debtors' business. According to the Monitor, it is in line with the compensation paid to other chief restructuring officers in similar cases. I approve the increase.

[7] Order 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.

[8] I have directed counsel to arrange the next attendance before me, prior to May 10, 2024, through the CL office.

