



SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

ENDORSEMENT

COURT FILE NO.: BK-22-02802344-0035 DATE: November 18, 2024

NO. ON LIST: 1

TITLE OF PROCEEDING: **IN THE MATTER OF THE BANKRUPTCY OF AYANDA CANNABIS CORPORATION OF THE COUNTY OF NORFOLK, IN THE PROVINCE OF ONTARIO**

BEFORE: JUSTICE W.D. BLACK

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

For Other, Self-Represented:

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ENDORSEMENT OF JUSTICE BLACK:

[1] This matter was before Steele J. on November 4, 2024, and on that date Her Honour adjourned the matter to today's date, specifically and expressly to allow certain inspectors, who were objecting to the relief sought, to consult counsel and file materials.

[2] Despite that accommodation, and despite Trustee's counsel then following up with the inspectors to give them a further opportunity to file materials, no opposing materials were filed. Some of the inspectors attended at the hearing before me, and one of them, Mr. Yarmie made brief submissions. Those submissions were directed to criticizing the Trustee's conduct and decrying the need for the inspectors to be removed (part of the relief sought) at this late stage. Mr. Yarmie's submissions did not contest the need for a sale of the business and property at issue, nor take issue with any details of the proposed 1001 APA (as defined in the materials).

[3] In my view, it is critical that the proposed transaction proceed; the estate is running very low on funds and there is no evidence to suggest that any better transaction is available.

[4] I note that the Secured Creditor supports the 1001 APA, and that the Trustee believes that, at this stage, the 1001 Transaction maximizes value for the benefit of the company's stakeholders.

[5] Two of the five inspectors advised of their approval for the 1001 APA.

[6] The objecting inspectors, who have for some time been openly critical of the Trustee's conduct and performance in this matter did not, as noted, provide any evidence to substantiate their alleged concerns. On the other hand, the Trustee has provided evidence to suggest that the inspectors have not conducted themselves in accordance with their duties to the estate, to the process, and to the court.

[7] In the circumstances, particularly inasmuch as there will be little or no role for the inspectors once the 1001 Transaction is completed, I do not propose to set out a detailed analysis in this endorsement for the dismissal of (all but one of) the inspectors. Suffice it to say that, based on the evidence in the record before me, I am satisfied that all aspects of the relief sought by the Trustee at this stage are appropriate.

[8] Among other things, I am satisfied that the Trustee has made an ongoing good faith and diligent effort to expose the relevant business and property to the market, that the APA Transaction represents a fair and reasonable outcome, which, by analogy, meets the *Soundair* test (frequently used as a proxy in the context of bankruptcy proceedings).

[9] I am also satisfied that the sealing order is appropriate pending the closing of the 1001 Transaction, and that the circumstances meet the test in *Sherman Estate*.

[10] I also confirm, in conjunction with my approval of the Trustee's work and that of its counsel, that I approve their respective fees and disbursements.

[11] As such, I have signed, and attach, the Ancillary Relief Order and Approval and Vesting Order sought by the Trustee.



W.D. BLACK J.

DATE: November 18, 2024