



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

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

DATE: May 7, 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 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
Clifton Prophet	Counsel for the Applicant, Peoples Trust Company	Clifton.prophet@gowlingwlg.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 Monitor dated May 3, 2024.

- [2] The Monitor brings this motion for (i) an extension of the Stay Period to and including September 27, 2024; (ii) approval of the First DIP Amendment and amendment of paragraph 39 of the ARIO to increase borrowing under the DIP Facility to \$21 million (an additional \$10.6 million over the Forecast Period); and (iii) approval of the continuation of the Work Fee payable to the CRO for four more months commencing June 2024 at \$65,000 per month and approval of the Cost Reductions Fee to the CRO.
- [3] The motion is unopposed. The background to this motion is set out in the Monitor's Third Report and the Second Prosperi Affidavit.
- [4] I am satisfied that the stay extension should be granted. I accept the submission of the Monitor that the Debtors, under the stewardship of the CRO and the Monitor, are acting in good faith and with due diligence. The extension will give the Monitor time to continue working with counsel in the proposed class action and, if necessary the court, to agree on a path forward in the litigation. It will also give the Monitor time to work on developing a SISP. No creditor will be materially prejudiced by the extension based on the Updated Cash Flow Forecast. The stay extension is approved.
- [5] The increase of the DIP Facility and the extension of the maturity date to September 28, 2024 is approved. The additional funding is required to ensure the liquidity of the Debtors to operate during the extension, as set out in the Updated Cash Flow Forecast.
- [6] The continuation of the Work Fee at the same level already approved by this court and the Cost Reductions Fee of \$150,000 to the CRO are approved. I note that the Cost Reductions Fee is subject to the provision by the CRO of evidence substantiating the cost savings acceptable to the DIP Lender and the Monitor. The Monitor was consulted in respect of these fees and is supportive of them.
- [7] Once again, I reiterate my earlier endorsements 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.
- [8] I have already scheduled a case conference on this matter on May 16, 2024 at noon for one hour and given directions on uploading *aide memoires* in advance of the case conference. The Monitor's counsel has undertaken to advise me if counsel no longer require this case conference.

A handwritten signature in blue ink, appearing to read "Conway J.", is located at the bottom left of the page.