



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CL-26-00000265-0000 **DATE:** OCTOBER 14, 2026

NO. ON LIST: 1

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF FRESHSTONE BRANDS INC.

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:

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For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
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ENDORSEMENT

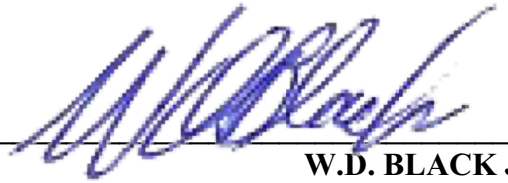
- [1] In this endorsement I will continue to use terms as defined in the parties' materials and in the past endorsements in this matter. These parties were most recently before me on October 2, 2026.
- [2] At that time, although there was no opposition to the relief sought (albeit one issue with respect to the application of WEPPA has been deferred pending a decision expected in the near term from the Court of Appeal for Ontario), I was not satisfied with the evidence provided in the record at that time with respect to the need for a reverse vesting structure.
- [3] Accordingly, I declined to grant the order sought but allowed the applicant the opportunity to deliver additional evidence, if available, to justify the reverse vesting structure proposed.
- [4] In the event, the applicant delivered a further (third) affidavit from Leigh Wilson, the Chief Development Officer of Freshstone.
- [5] Having reviewed that affidavit, I am satisfied with the evidence – both with respect to the non-assignability of certain licenses, certificates and registrations held by Freshstone, and critical for its ability to continue to operate as a going concern, and with respect to the non-assignability of the Tax Attributes (in the nature of non-capital loss carryforwards) – offered to justify the reverse vesting structure.
- [6] The additional evidence now persuades me that the reverse vesting structure proposed meets the *Harte Gold* factors, and satisfies the required inquiries as to:
- (a) Why the RVO is necessary;
 - (b) Whether the reverse vesting transaction structure provides an economic result at least as favourable as any other viable alternatives;
 - (c) Whether any stakeholder is worse off under the reverse vesting structure than they would have been under any other viable alternative; and
 - (d) Whether the consideration being paid for the debtor's business reflects the importance and value of the licenses and permits (or other intangible assets) being preserved under the reverse vesting transaction structure.
- [7] The additional evidence now persuades me to grant the order sought.
- [8] I was previously satisfied, based on the materials previously filed, that:
- (a) The SISP conducted by the applicant (with oversight from the Monitor) was robust and wide-ranging, and appropriately and comprehensively canvassed the market for potential purchasers;
 - (b) The Stalking Horse Bid, which was declared the Successful Bid, was reasonable in the circumstances, and the consideration to be received for the assets, taking into account their marked value, is reasonable and fair;

- (c) The SISP and the resulting Successful Bid meet the Soundair factors, and those enumerated in subsection 36(3) of the CCAA;
- (d) The Monitor supports and recommends approval of the proposed Transactions;
- (e) Freshstone's secured creditors, including the DIP Lender, were thoroughly consulted throughout the SISP and the negotiation of the Transactions;
- (f) No parties oppose the Transactions or the relief sought by Freshstone as part of the ARVO (one party, Campbell Company of Canada, wishes to preserve certain rights, as discussed below, but based on agreed language between it and Freshstone, does not oppose the ARVO);
- (g) The Transactions will result in:
 - i. The payment or satisfaction of a substantial portion of Freshstone's secured indebtedness (through a credit-bid) and priority payables;
 - ii. The assumption and/or payment of certain unsecured claims which would not otherwise receive any recovery whatsoever in a bankruptcy scenario; and,
 - iii. The continuation of Freshstone's business as a going concern, and the continued employment of hundreds of employees.
- (h) In addition to the factors set out in subsection 36(3) of the CCAA, the factors provided in subsection 36(4) of the CCAA, applicable where the proposed sale is to a person related to the company, are also satisfied, in that good faith efforts were undertaken to sell the assets to persons not related to the company and in that the consideration to be received is superior to the consideration that would be received under any other offer made in accordance with the process leading to the proposed sale;
- (i) The Monitor's powers should be enhanced to include the power to distribute any cash portion of the Subscription Price in accordance with the Amended Subscription Agreement and to exercise any powers that may be properly exercised by any board of directors of ResidualCo;
- (j) The D & O Release should be granted, in that the proposed scope of the release conforms with the *Lydian Factors*, as discussed by Penny J. in *Harte Gold*, given that the releases are proportionate and rationally connected to the purpose of the restructuring, and the Ds & Os have contributed meaningfully to the restructuring efforts;
- (k) The Stay Period, which currently expires on October 16, 2026, should be extended. The debtor has acted, and continues to act in good faith, and the extension is necessary to accommodate the closing of the Transactions.

[9] As noted above, in discussions between Campbell Company of Canada and Freshstone, in order to preserve certain rights, the parties have agreed on the following language, which I endorse:

"The Approval and Vesting Order shall not prejudice, impair, waive or otherwise affect any right (if any) of set-off, recoupment, counterclaim or defence that Campbell Company of Canada ("Campbell") may have had, in accordance with applicable laws, immediately prior to the Effective Time in respect of any amount receivable or other amount claimed by Freshstone against Campbell prior to the Effective Time."

[10] In the circumstances, I am prepared to grant the relief sought, and have signed the updated form of ARVO provided.



W.D. BLACK J.

DATE: October 14, 2026