



ONTARIO SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

**COUNSEL/ENDORSEMENT SLIP**

COURT FILE NO.: CL-26-00000265-0000 DATE: JUNE 18, 2026

NO. ON LIST: 4

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:**

Name of Person Appearing	Name of Party	Contact Info
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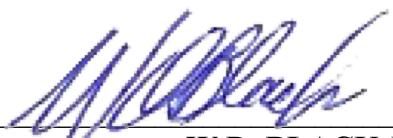
**For Other, Self-Represented:**

Name of Person Appearing	Name of Party	Contact Info
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## ENDORSEMENT

- [1] Today was the “comeback” hearing in this matter, in which I granted an Initial Order on June 9, 2026, providing protection for Freshstone under the CCAA (in this endorsement I will continue to use terms as defined in the materials and in my prior endorsement).
- [2] At today’s hearing, Freshstone was seeking an AIO:
- (a) Extending the Stay Period to and including October 16, 2026;
  - (b) Increasing the amount of the Administration Charge to an aggregate amount of \$650,000 (which will also secure the fees payable by Freshstone to the Sale Advisor), and an increase to the Directors’ Charge to a total amount of \$2,000,000; and
  - (c) An increase to the authorized DIP Amount to a maximum aggregate principal amount at no time exceeding \$7,000,000.
- [3] Freshstone was also seeking a SISP Order, authorizing, *inter alia*:
- (a) The conduct of a SISP during the CCAA Proceedings by Freshstone, with the assistance of the Sale Advisor and under the supervision of the Monitor, in accordance with the SISP Procedures appended to the SISP Order;
  - (b) The approval, *nunc pro tunc*, of the engagement of GR pursuant to the Sale Advisor Engagement Letter providing that GR will act as Freshstone’s Sale Advisor during the SISP; and
  - (c) The approval, *nunc pro tunc*, of the Subscription Agreement between Freshstone, as issuer, and Mr. Frank Burdzy, on his own behalf and on behalf of an entity to be incorporated by him and designated prior to the Closing, as the Stalking Horse Bidder and authorizing Freshstone to pay to the Stalking Horse Bidder its reasonable, documented, out-of-pocket costs and expenses, up to a maximum of \$50,000, in accordance with the Expense Reimbursement terms of the Subscription Agreement and granting the Expense Reimbursement Charge in favour of the Stalking Horse Bidder to secure the payment of such expenses, subordinated only to the DIP Charge, the Administrative Charge and the Directors’ Charge.
- [4] The relevant facts in this matter are as detailed in the Burdzy Affidavit and the Wilson Affidavit, and in the Monitor’s First Report.
- [5] I am satisfied that the extension of the Stay Period is necessary and appropriate in the circumstances to allow for continued steps to stabilize the Applicant’s business, to further engage with stakeholders and to comprehensively explore available restructuring options. The extension of the Stay Period is also necessary to allow the Monitor to carry out the SISP. The extension of the Stay Period until October 16, 2026, tracks the various milestones contemplated in the SISP.
- [6] I also find that, as required under s. 11.02(2) of the CCAA, the Applicant has acted, and is acting, in good faith and with due diligence.
- [7] As confirmed in the cash flow projection attached to the Burdzy Affidavit, with the increase in the DIP Amount, the Applicant is expected to have sufficient liquidity to operate through the proposed extension of the Stay Period.

- [8] I also accept the need to increase the Administrative Charge and the Directors' Charge to secure the payment of expected professional fees and to properly indemnify the D&Os in connection with any claim that may be asserted against them from and after the commencement of the CCAA Proceedings (to the extent that any such liability is not covered by the D&O liability insurance maintained by Freshstone), and that I have the discretion under ss. 11.51 and 11.52 of the CCAA to increase such charge amounts.
- [9] Likewise, I accept the need to authorize the increased DIP Amount and corresponding DIP Lender's Charge. I note that I have the jurisdiction to do so under s. 11.2 of the CCAA, and I have taken into account the factors listed under s. 11.2(4) thereof.
- [10] I am also satisfied with the need for and the composition of the proposed SISP and find that it will provide a fair, efficient and transparent means of canvassing the market, which will in turn facilitate the exploration of all available options for Freshstone in order to maximize value for all stakeholders.
- [11] I approve as well the execution of the Sale Advisor Engagement Letter, and note that all obligations of Freshstone under the Sale Advisor Engagement Letter are to be secured by the Administrative Charge, and rank pari passu with other beneficiaries of that charge. Again, I find the jurisdiction under s. 11 of the CCAA for this authorization.
- [12] I am also prepared to authorize the execution of the Subscription Agreement, and approve the use of such agreement as a Stalking Horse Bid in the context of the SISP. I accept that the Stalking Horse Bid with the SISP will allow the Applicant to establish a floor price, and signal to the market that, even if there are no bids superior to the Stalking Horse Bid, the Applicant will be able to continue its operations as a going concern.
- [13] I also find it appropriate that, as confirmed in the Subscription Agreement, certain features such as the payment of a break fee, frequently found in such circumstances, are not present in order to counterbalance any concerns about potential prejudice to the Applicant's creditors.
- [14] I did raise with Freshstone's counsel that I note the intention, should the Stalking Horse Bid prove to be the successful bid following the SISP, that the transaction with the Stalking Horse Bidder would be in the form of a reverse vesting structure. I advised Applicant's counsel that it is not immediately evident to me that the circumstances in this case are in keeping with circumstances that would typically lend themselves to an RVO. I acknowledged in saying so that I am not yet aware of all relevant details that would go into such a consideration, and that I had noticed in the Monitor's First Report a reference to tax attributes and licensing considerations (which are often among the touchstones relied on to justify a reverse vesting structure). I am not pre-judging the issue – and indeed do not have sufficient evidence at this stage to render any conclusions. My purpose in raising the issue was to give counsel a heads up that the recourse to a reverse vesting structure should not be taken for granted, and that proper and sufficient evidence will have to be provided in that regard.
- [15] Nonetheless, in the circumstances described above, I am granting, and have signed, the SISP Order and the ARIO sought.



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**W.D. BLACK J.**

**DATE: JUNE 18, 2026**