

CITATION: Imperial Tobacco Canada Limited, 2024 ONSC 1751
COURT FILE NO.: CV-19-615862-00CL, CV-19-616077-00CL and CV-19-616779-00CL
DATE: 2024-03-25

SUPERIOR COURT OF JUSTICE - ONTARIO

RE: **RE: 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 JTI-MACDONALD CORP.**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF IMPERIAL TOBACCO CANADA LIMITED AND
IMPERIAL TOBACCO COMPANY LIMITED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF ROTHMANS, BENSON & HEDGES INC.**

BEFORE: Chief Justice Geoffrey B. Morawetz

COUNSEL: *Craig Lockwood, John MacDonald, Deborah Glendinning, Marc Wasserman,
Marleigh Dick and Viktor Nikolov*, for Imperial Tobacco Canada Limited and
Imperial Tobacco Company Limited

Heather Meredith, Paul Steep and Trevor Courtis, for Rothmans, Benson &
Hedges Inc.

Mitch Grossell, Robert Thornton and Leanne Williams, for JTI-MacDonald Corp.

Natasha MacParland, Chanakya Sethi and Benjamin Jarvis, for FTI Consulting
Canada Inc. in its capacity as court-appointed Monitor of Imperial Tobacco Canada
Limited and Imperial Tobacco Company Limited

Jane Dietrich, for Ernst & Young Inc. in its capacity as court appointed Monitor of
Rothmans, Benson & Hedges Inc.

Pamela Huff, Jake Harris and Linc Rogers, for Deloitte Restructuring Inc. in its
capacity as Monitor of JTI-Macdonald Corp.

Robert Cunningham, for The Canadian Cancer Society

Avram Fishman and Mark E. Meland, for Conseil Québécois sur le tabac et la santé,
Jean-Yves Blais and Cécilia Létourneau (Quebec Class Action Plaintiffs)

Amanda McInnis and Steven Weisz, for Grand River Enterprises Six Nations Ltd.

Jacqueline Wall, for His Majesty the King in Right of Ontario

Adam Slavens, for JTI Canada LLC Inc. and PricewaterhouseCoopers Inc., in its capacity as Receiver of JTI-Macdonald TM Corp.

Madeleine Carter, Lauren Harper and Raymond Wagner, Representative Counsel for the Pan-Canadian Claimants

Nichols Kluge, for Philip Morris International Inc.

Andre Michael and Mike Eizenga, for the Provinces of British Columbia, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Saskatchewan, in their capacities as Plaintiffs in the HCCR Legislation claims

Bryan McLeese and Patrick Flaherty, for R.J. Reynolds Tobacco Company and R.J. Reynolds Tobacco International Inc.

Douglas Lennox, for Representative Plaintiff, Kenneth Knight, in the certified British Columbia Class Action, *Knight v. Imperial Tobacco Canada Ltd.*, Supreme Court of British Columbia, Vancouver Registry No. L031300

William V. Sasso and Harvey T. Strosberg, for The Ontario Flue-Cured Tobacco Growers' Marketing Board

Nadia Campion Matthew Gottlieb and Andrew Winton, for Court-Appointed Mediator, The Honourable Warren K. Winkler, K.C.

Brett Harrison, for the Province of Quebec

James Doris, U.S. Department of Justice

Air Kaplan, Former Genstar U.S. Retiree Group Committee

David Ullmann, for La Nordique Compagnie D'Assurance du Canada

Maria Konyukhova, for Certain BAT Entities

HEARD: March 25, 2024

ENDORSEMENT

[1] This endorsement relates to the three Applicants, JTI-MacDonald Corp., ("JTI"), Imperial Tobacco Canada Limited and Imperial Tobacco Company Limited (collectively, "Imperial") and Rothmans, Benson & Hedges Inc. ("RBH").

[2] Each Applicant requested an extension of the Stay Period up to and including September 30, 2024.

[3] Imperial also requested authorization to take the appropriate steps to complete a termination of the Imasco Holdings Group Inc. and Participating Affiliates Retirement Plan

("IHGI") in accordance with applicable U.S. Laws. In addition, Imperial sought the necessary authorization to post security or otherwise advance funds for the purposes of obtaining a "vaping product" license as and when Bill C-59 (*Fall Economic Statement Implementation Act, 2023*) comes into force.

[4] RBH also requested a procedural amendment to the Initial Order to allow certain employee grievances to proceed with the consent of the Monitor and RBH, without the necessity of obtaining leave of the court.

[5] The evidentiary support for the relief is as follows:

(a) JTI

The affidavit of William Aziz sworn March 11, 2024 and the 16th Report of the Monitor, as filed by Deloitte Restructuring Inc., in its capacity as Monitor of JTI.

(b) Imperial

The affidavit of Eric Thauvette sworn March 11, 2024 and the 17th Report of the Monitor, as filed by FTI Consulting Canada Inc., in its capacity as Monitor of Imperial.

(c) RBH

The affidavit of Milena Trentadue sworn March 6, 2024 and the 15th Report of the Monitor, as filed by Ernst & Young Inc., in its capacity as Monitor of RBH.

[6] There was no opposition to the motions.

[7] It is noted that Mr. Kaplan, on behalf of the Former Genstar U.S. Retiree Group Committee, reserved his right to raise issues that could arise in respect of the termination of the IHGI.

[8] Having reviewed the record, I am satisfied that each Applicant has been and continues to work in good faith and with due diligence in an effort to formulate plans of arrangement in these CCAA proceedings. I also accept that each Applicant requires additional time to formulate a plan.

[9] The required cash flow forecasts demonstrate that each Applicant will have sufficient resources to carry on operations for the period of the requested extension.

[10] I have also been provided with periodic updates with respect to the ongoing mediation that is being conducted by the Honourable Warren K. Winkler, K.C., Court -Appointed Mediator. Such communication has been previously authorized by Court Order.

[11] I am satisfied that significant progress has been made by the parties as they continue with their efforts to develop comprehensive plans of arrangement and, further, that all parties are active participants in the ongoing mediation.

[12] Accordingly, the Stay Period for all Applicants is extended up to and including September 30, 2024. The ancillary relief requested by Imperial and RBH is also appropriate in the circumstances.

[13] The motions of all Applicants are granted and three orders that reflect the foregoing have been signed.


Chief Justice Geoffrey B. Morawetz

Date: March 25, 2024