

Court File No. CV-21-00655373-00CL

**FIGR BRANDS, INC.,
AND RELATED APPLICANTS**

NINTH REPORT OF FTI CONSULTING CANADA INC., AS MONITOR

April 14, 2022

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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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 FIGR
BRANDS, INC., FIGR NORFOLK INC. AND 1307849 B.C. LTD.

**NINTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

A. INTRODUCTION¹

1. On January 21, 2021, FIGR Brands, Inc. (“**FIGR Brands**”), FIGR Norfolk Inc. (“**FIGR Norfolk**”) and Canada’s Island Garden Inc. (“**CIG**”) sought and obtained an initial order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). On June 10, 2021, the Court granted the CIG Approval and Vesting Order (as defined below) which, among other things, removed CIG as an Applicant and added 1307849 B.C. LTD. (“**Residual Co**”, and together with FIGR Brands and FIGR Norfolk, the “**FIGR Group**” or the “**Applicants**”) as an Applicant. The proceedings commenced under the CCAA by the FIGR Group are referred to herein as the “**CCAA Proceedings**”.

¹ Terms not otherwise defined in this section and the following section have the meaning provided to them in the remainder of this Ninth Report.

B. PURPOSE OF THIS NINTH REPORT

2. The purpose of this Ninth Report of the Monitor (the “**Ninth Report**”) is to provide the Court with:

- (a) The Monitor’s comments and recommendations regarding the FIGR Group’s motion returnable April 21, 2022 (the “**April 21 Motion**”) seeking an order (the “**CCAA Termination Order**”), among other things,
 - (i) authorizing each of the Applicants to file an assignment in bankruptcy under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), prior to termination of the CCAA Proceedings and authorizing Harvey Carroll to take all steps necessary to make the assignments in bankruptcy;
 - (ii) authorizing FTI Consulting Canada Inc. (“**FTI**”) to act as trustee-in-bankruptcy of each of the Applicants (in such capacities, the “**Trustee**”);
 - (iii) authorizing and directing the Applicants to transfer the Bankruptcy Reserve (defined below) to FTI;
 - (iv) recognizing the claims bar dates established in the CCAA Proceedings and Proven Claims as determined in the CCAA Proceedings in any future BIA proceeding(s);
 - (v) terminating the CCAA Proceedings upon the filing of a certificate (the “**Discharge Certificate**”) by the Monitor;
 - (vi) discharging the Monitor and granting certain releases in favour of the Monitor and its counsel, the Applicants’ counsel and the Released Parties (defined below);
 - (vii) terminating the Director’s Charge and the Administration Charge upon filing of the Discharge Certificate;
 - (viii) extending the Stay Period until the filing of the Discharge Certificate;

- (ix) approving this Ninth Report, the activities of the Monitor and its counsel referred to herein, and the fees and disbursements of the Monitor and its counsel as set out below and the Estimated Remaining Fees (defined below);
- (b) information regarding the activities of the Monitor and the FIGR Group since January 27, 2022, the date of the Eighth Report; and
- (c) a summary of the receipts and disbursements of the FIGR Group for the 11-week period ending April 8, 2022.

C. BACKGROUND OF THE CCAA PROCEEDINGS

- 3. Since the CCAA Proceedings were commenced on January 21, 2021, a number of orders, as described below have been made by the Court. Pursuant to and in accordance with these orders, substantially all of the FIGR Group’s assets have been realized upon and Claims and Employee Claims (each as defined below) against the FIGR Group have been identified and determined in accordance with the Claims Procedure Order and the Employee Claims Procedure Order (each as defined below), as applicable.
- 4. The Initial Order, among other things:
 - (a) appointed FTI Consulting Canada Inc. as monitor of the FIGR Group² (in such capacity, the “**Monitor**”) in the CCAA Proceedings;
 - (b) granted a stay of proceedings in favour of the FIGR Group until January 31, 2021 (the “**Stay Period**”);
 - (c) granted the Administration Charge, the Directors’ Charge, the DIP Lender’s Charge and the Intercompany Charge (each as defined in the Initial Order, and collectively the “**CCAA Charges**”); and

² Note that any reference in this Eighth Report to the FIGR Group or the Applicants prior to June 28, 2021 includes CIG and not Residual Co.

- (d) authorized the FIGR Group to enter into the DIP Facility (as defined in the Pre-Filing Report of the Monitor dated January 21, 2021).
5. On January 29, 2021, at the comeback hearing, the following orders were issued:
- (a) an amended and restated Initial Order (the “**Amended and Restated Initial Order**”) which, among other things:
 - (i) increased the quantum of certain of the CCAA Charges;
 - (ii) elevated the priority ascribed to the CCAA Charges over all secured creditors; and
 - (iii) extended the Stay Period to March 31, 2021;
 - (b) an order approving a sale and investment solicitation process to solicit interest in potential transactions involving the business and/or assets of the FIGR Group.
6. On February 22, 2021, the following orders were issued:
- (a) an order (the “**Claims Procedure Order**”) which, among other things:
 - (i) approved a claims procedure (the “**Claims Procedure**”) to solicit, identify, determine and adjudicate Claims against the FIGR Group and their present and former Directors and Officers (as such terms are defined in the proposed Claims Procedure Order); and
 - (ii) required the Monitor to serve on the Service List (as defined below) and file with the Court a Pre-Filing Intercompany Claims Report setting out the Proposed Pre-Filing Intercompany Claims Resolution Process (as such terms are defined in the Claims Procedure Order).
 - (b) an ancillary order which, among other things:
 - (i) approved a key employee retention plan for certain employees of CIG;
 - (ii) extended the Stay Period to April 30, 2021; and

- (iii) approved all filed reports of the Monitor (as of that date), and the activities of the Monitor referred to therein, as well as the fees and disbursements of the Monitor and its counsel.

7. On March 31, 2021, an order was issued which, among other things:

- (a) authorized the execution by the Applicants of the First Amendment to the DIP Facility which, among other things, increased the amount permitted to be borrowed by the FIGR Group thereunder from \$8,000,000 (plus interest and costs) to \$13,000,000 (plus interest and costs); and
- (b) approved the third report of the Monitor dated March 26, 2021, the activities of the Monitor referred to therein, and the fees and disbursements of the Monitor and its counsel.

8. On April 30, 2021, the following orders were issued:

- (a) an order (the “**Employee Claims Procedure Order**”) which, among other things, approved a claims procedure (the “**Employee Claims Procedure**”) to identify, determine and adjudicate Employee Claims against the FIGR Group and their present and former Directors and Officers (as such terms are defined in the Employee Claims Procedure Order);
- (b) an order which, among other things:
 - (i) extended the Stay Period to June 30, 2021; and
 - (ii) approved the fourth report of the Monitor dated April 27, 2021, the activities of the Monitor referred to therein, and the fees and disbursements of the Monitor and its counsel.

9. On June 10, 2021, the following orders were issued:

- (a) an order (the “**CIG Approval and Vesting Order**”) which, among other things:

- (i) approved the CIG Subscription and Share Purchase Agreement and the CIG Transaction;
- (ii) vested the Purchased Shares in the CIG Purchaser, free and clear of any Encumbrances;
- (iii) vested the Transferred Assets in CIG, free and clear from any Encumbrances, except Permitted Encumbrances;
- (iv) added, as an Applicant to the CCAA Proceedings, a newly incorporated wholly owned subsidiary of FIGR Brands, namely Residual Co;
- (v) on or before closing, transferred and vested the Excluded Assets, Excluded Contracts and Excluded Liabilities in Residual Co.; and
- (vi) declared that CIG ceased to be an Applicant in the CCAA Proceedings;

each term as defined in the Fifth Report of the Monitor dated June 4, 2021 (the “**Fifth Report**”);

- (b) an order which, among other things, approved the Norfolk Transaction and vested the Purchased Assets in the Norfolk Purchaser (as such terms are defined in the Fifth Report) free and clear of all claims and encumbrances;
- (c) an order which, among other things,
 - (i) extended the Stay Period until September 3, 2021;
 - (ii) authorized the execution by the Applicants of the Second DIP Amendment which, *inter alia*, increased the amount permitted to be borrowed by the FIGR Group thereunder from \$13,000,000 (plus interest and costs) to \$16,000,000 (plus interest and costs);
 - (iii) approved an increase to the DIP Lender's Charge (as defined in the Amended and Restated Initial Order) up to a maximum amount of \$16,000,000 (plus interest and costs);

- (iv) authorized and empowered the FIGR Group, with the consent of the Monitor (or the Monitor on behalf of the FIGR Group), to make or cause to be made distributions from available funds or proceeds to the DIP Lender (as defined below) in repayment of the obligations secured by the DIP Lender's Charge;
- (v) approved the Proposed Pre-Filing Intercompany Claims Resolution Process (as defined in the Claims Procedure Order); and
- (vi) approved the Fifth Report, the activities of the Monitor referred to therein, and the fees and disbursements of the Monitor and its counsel as set out therein.

10. On August 24, 2021, an order was made which, among other things:

- (a) extended the Stay Period until October 29, 2021;
- (b) approved a key employee retention plan for certain employees of FIGR Norfolk;
- (c) sealed the Confidential Appendix (as defined in the Sixth Report of the Monitor dated August 19, 2021 (the “**Sixth Report**”)) containing sensitive information regarding the identity and compensation of the Norfolk Key Employees (as defined in the Sixth Report); and
- (d) approved the Sixth Report, the activities of the Monitor, and the fees and disbursements of the Monitor and its counsel referred to therein.

11. On October 19, 2021, an order was made which, among other things:

- (a) extended the Stay Period until February 4, 2022; and
- (b) approved the Seventh Report of the Monitor dated October 14, 2021, the activities of the Monitor, and the fees and disbursements of the Monitor and its counsel referred to therein.

12. On February 2, 2022, an order (the “**Distribution & WEPPA Order**”) was made which, among other things:
- (a) extended the Stay period until April 29, 2022;
 - (b) declared that WEPPA applies to FIGR Norfolk, FIGR Brands and their collective former employees as of the date of the order;
 - (c) approved the Proposed Distribution Methodology and authorized the Applicants to make the distributions set out in the Eighth Report of the Monitor dated January 27, 2022 (the “**Eighth Report**”);
 - (d) terminated the DIP Lender’s Charge and each Intercompany Charge (following completion of the distributions in the manner described in the order);
 - (e) established the Administrative Reserve and provided that the Directors’ Charge and the Administration Charge shall attach solely to the Administrative Reserve following completion of the distributions in the manner described in the order; and
 - (f) approved the Eighth Report, the activities of the Monitor, and the fees and disbursements of the Monitor and its counsel referred to therein.

D. TERMS OF REFERENCE

13. In preparing this Ninth Report, the Monitor has relied upon audited and unaudited financial information of the FIGR Group, the FIGR Group’s books and records, certain financial information and forecasts prepared by the FIGR Group, and discussions with various parties, including senior management (“**Management**”) of, and advisors to, the FIGR Group (collectively, the “**Information**”).
14. Except as otherwise described in this Ninth Report:
- (a) the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and

- (b) the Monitor has not examined or reviewed the financial forecasts or projections referred to in this Ninth Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
- 15. Future-oriented financial information reported in, or relied on, in preparing this Ninth Report is based on Management’s assumptions regarding future events. Actual results will vary from these forecasts and such variations may be material.
- 16. The Monitor has prepared this Ninth Report in connection with the April 21 Motion. The Ninth Report should not be relied on for any other purpose.
- 17. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
- 18. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the affidavit of Harvey Carroll, the President and Chief Executive Officer of FIGR Brands, sworn on April 13, 2022, the Amended and Restated Initial Order, or the Eighth Report, as applicable. A copy of the Eighth Report with certain appendices is attached hereto as **Appendix “A”**.

E. ACTIVITIES OF THE MONITOR

- 19. Since the date of the Eighth Report, the Monitor has undertaken the following activities:
 - (a) engaged with FIGR Group, its legal counsel and Labour Program Employment and Social Development Canada and Service Canada regarding the administration of the WEPP during the CCAA Proceedings and the potential impact in any bankruptcy proceedings;
 - (b) supervised and assisted with activities related to the Claims Procedure and Employees Claims Procedure, as described in greater detail below;
 - (c) engaged with its legal counsel, Cassels Brock & Blackwell LLP (“**Cassels**”), regarding matters related to the CCAA Proceedings;

- (d) maintained the service list for these CCAA Proceedings (the “**Service List**”) and posted same on the Monitor’s Website;
 - (e) continued to operate and monitor its telephone hotlines and email account for stakeholder inquiries;
 - (f) engaged in discussions with the FIGR Group, its legal counsel, and its Directors and Management regarding issues related to the FIGR Group’s operations, including disbursements of the FIGR Group and winding down its operations;
 - (g) participated in discussions with Pyxus International, Inc. (“**Pyxus**”) and related entities regarding services provided to the FIGR Group, including assisting in the preparation of information for Pyxus and the board of directors of Pyxus;
 - (h) assisted the FIGR Group in discussions with suppliers, creditors and employees related to the CCAA Proceedings and responded to requests for information from certain of such parties; and
 - (i) participated in discussions with the FIGR Group and its tax advisors regarding the FIGR Group’s outstanding tax returns (the “**Outstanding Tax Returns**”).
20. In addition, as described further below, significant progress has been made carrying out the terms of the Distribution and WEPPA Order, since it was granted earlier this year as more fully described below.

F. UPDATE ON DISTRIBUTIONS, EMPLOYEES AND WEPP ADMINISTRATION

Update on Distributions

21. Pursuant to the Distribution & WEPPA Order, the Applicants are in the process of completing distributions to holders of Proven Claims including to AOIT (holder of the Pyxus Claims), (collectively, the “**Distributions**”), in accordance with the terms of the approved Proposed Distribution Methodology. The process to complete Distributions in respect of the certain Employee Claims that are Proven Claims (further described below) includes payments being made through third party payroll providers. The Monitor has been

advised that these third party payroll distributions are in process and will be completed no later than April 30, 2022. The final distribution to be made to AOIT is in respect of the funds remaining in the Administrative Reserve is only expected to be completed upon finalization of the CCAA Proceedings (the “**Final Distribution**”). In accordance with the Distribution and WEPPA Order, the Administrative Reserve was held back entirely from the Pyxus Claims. The cash held on account of the Administrative Reserve is approximately \$2.1 million, which is the Applicants’ only remaining material asset. Any remaining unused portion of the Administrative Reserve will be distributed to AOIT upon termination of the CCAA Proceedings.

Update on Employees

22. As noted in the Eighth Report, the Applicants have now ceased operations other than activities in respect of their final wind down. The only two (2) remaining employees of the Applicants as of the date of the Eighth Report were employed by FIGR Brands and were both officers and directors of the Applicants. The employment of one of those individuals was terminated on March 24, 2022 and the other employee’s employment is anticipated to be terminated on or around the time of the termination of the CCAA Proceedings. These employees entered into separation agreements with Pyxus Holdings, Inc. (“**Pyxus Holdings**”) which include settlements in respect of their Claims against FIGR Brands and related companies that are not part of the CCAA Proceedings.
23. In addition to the separation agreement entered into with those employees, Pyxus Holdings also entered into separation agreements with five (5) other former employees of FIGR Brands, which also included settlements in respect of their Claims against FIGR Brands.
24. The terms of the separation agreements entered into with each of those six (6) former employees and one (1) remaining employee of FIGR Brands provided, among other things, that AOIT (the holder of the Pyxus Claims) would pay the relevant individual an amount equal to the value of the individual’s Employee Claim and the individual would assign any and all Claims and Employee Claims (as defined in the Employee Claims Procedure Order) they may have against the Applicants to AOIT and execute a release in favour of the Applicants and AOIT, among others.

25. To effect those terms, the former employees and one (1) remaining employee executed assignment agreements in favour AOIT. In addition, AOIT directed FIGR Brands to retain a portion of the distribution that it was entitled to on account of its Claim to be distributed to FIGR Brands' payroll provider for payment to those individuals in accordance with the terms of their exit agreements and ordinary payroll procedures, including deduction of applicable statutory withholdings.
26. The Monitor has been advised that all Distributions in respect of Employee Claims that are Proven Claims will be completed no later than April 30, 2022. Together with these payments, the Applicants will deliver a letter to each former employee with a Proven Claim (as defined in the Claims Procedure Order) that sets out the distribution to be paid to the former employee and the estimated date of distribution

Administration of the WEPP

27. The Distribution & WEPPA Order provided that FIGR Norfolk and FIGR Brands meet the criteria described by Section 3.2 of the *Wage Earner Protection Program Regulations*. Accordingly, the former employees of FIGR Norfolk and FIGR Brands are individuals to whom the WEPPA applies as of the date of that Order.
28. Since the date of the Eighth Report, the Monitor and the Applicants have continued to engage with the Labour Program Employment & Social Development Canada and Service Canada to administer the WEPP in respect of the Applicants and their former employees. An extension of certain WEPP-related requirements for the Monitor was granted by Service Canada until May 3, 2022.
29. Pursuant to the WEPP Regulations, the Monitor expects to deliver to each of the Applicants' eligible former employees, who was employed during the applicable WEPP eligibility period, a notice providing certain information in respect of applying for the WEPP, including answers to frequently asked questions. This notice will be sent shortly after distributions in respect of Employee Claims have been made by the Applicants and after the Monitor provides any required information to Service Canada. The Monitor

expects the notice and frequently asked questions to be sent prior to the expiration of the May 3, 2022 deadline.

30. In April 2022, Service Canada confirmed to the Monitor that since WEPP has already been triggered for all former employees of the Applicants, no additional action is required by the Applicants or the Monitor to ensure the administration of WEPP continues uninterrupted through the anticipated bankruptcies of the Applicants.

G. REQUESTED TERMINATION AND BANKRUPTCIES

Anticipated Bankruptcies

31. Since the Applicants have realized on all of their saleable assets and have completed all Distributions (other than in respect of certain Employee Claims and the Pyxus Claims, as described above), there are no further recoveries available for the benefit of the Applicants' creditors. The Applicants do not intend to file a plan of compromise or arrangement. The Applicants are of the view that filing assignments in bankruptcy prior to the termination of the CCAA Proceedings would assist with the orderly and efficient wind up of the corporations.
32. If the CCAA Termination Order is granted, the Applicants will transfer to the Trustee \$150,000 plus HST (the "**Bankruptcy Reserve**") from the Administrative Reserve to administer the no-asset bankruptcies. It is also proposed in the CCAA Termination Order that, upon conclusion of the Trustee's work in the anticipated bankruptcies, any unused portion of the Bankruptcy Reserve will be distributed to AOIT.
33. The proposed CCAA Termination Order further provides that any Claim or Employee Claim that is a Proven Claim in the CCAA Proceedings will continue to be a claim in the Applicants' anticipated bankruptcies. This will permit the efficient administration of the bankrupt estates by eliminating the requirement for creditors to re-submit claims in the bankruptcy proceedings and for the Trustee to make determinations in respect of those claims.

34. The Monitor is of the view that the anticipated bankruptcies provide for the fastest and most efficient path toward winding down the Applicants' business taking into consideration the interests of their stakeholders.

Discharge of Certain Court Ordered Charges

35. The Directors' Charge and the Administration Charge are the only charges remaining that were granted by the Court in the CCAA Proceedings. Pursuant to the terms of the Distribution and WEPPA Order, after completing the Distributions other than the Final Distribution, those charges attach solely to the Administrative Reserve. If the CCAA Termination Order is granted, those charges will be terminated upon the filing of the Discharge Certificate.
36. The Administrative Reserve was established to pay all remaining professional fee disbursements of counsel to the Applicants, the Monitor and counsel to the Monitor in respect of the CCAA Proceedings, wages and fees of certain Directors and Officers (as such terms are defined in the Claims Procedure Order) that may be incurred and any Claims that may be made against the Directors or Officers until the termination of the CCAA Proceedings. Currently, there are no known Claims against the Directors or Officers relating to liabilities incurred post-filing. As such, the Monitor is not aware of any amounts outstanding that would be secured by the Directors' Charge. In addition, the Monitor has been advised by the Applicants' counsel that the beneficiaries of the Directors' Charge are aware of the proposed termination of the Directors' Charge and do not object to same.
37. The CCAA Termination Order if granted provides that all amounts will be paid under the Administration Charge (or reserved in respect of the Estimated Remaining Fees) prior to the Monitor filing the Discharge Certificate.
38. As a result, in the Monitor's view, it is appropriate for the Administration Charge and Directors' Charge to terminate upon filing of the Discharge Certificate and termination of the CCAA Proceedings.

Releases

39. The proposed CCAA Termination Order releases, the Monitor, counsel to the Monitor, the Applicants, counsel to the Applicants, the DIP Lender, counsel to the DIP Lender and each of their respective affiliates and officers, directors, partners, employees and agents during the CCAA Proceedings, (collectively, the “**Released Parties**”) from the Released Claims (as defined in the CCAA Termination Order).
40. The Released Claims do not include any claim or liability arising out of any gross negligence or wilful misconduct on the part of the applicable Released Party.
41. The proposed form of CCAA Termination Order provides that the releases would: (a) become effective on the date the CCAA Termination Order is granted; and (b) be deemed to be effective up to and including the date of the termination of the CCAA Proceedings upon filing of the Discharge Certificate.

Filing of the Discharge Certificate and Termination of the CCAA Proceedings

42. Subject to the CCAA Termination Order being granted, once the activities to finalize the CCAA Proceedings are completed to the Monitor’s satisfaction, the Monitor will provide the Service List with seven (7) days’ advance notice of its intention to file the Discharge Certificate (attached as Schedule “A” to the proposed CCAA Termination Order) with the Court, in order to allow any stakeholders an opportunity to object to the proposed termination of the CCAA Proceedings. If there is an objection, the objection may be settled or a motion may be necessary. If there is no objection within seven (7) days (or any objection is resolved on consent), the Monitor will file the Discharge Certificate and the CCAA Proceedings will be terminated (and the Monitor will be discharged) as of that time, with the release of the Released Parties deemed to be effective up to the time of termination.

H. RECEIPTS AND DISBURSEMENTS

43. The FIGR Group’s actual negative net cash flow on a consolidated basis for the 11-week period ending April 8, 2022 was approximately \$1.4 million, compared to a forecast negative cash flow of approximately \$2.2 million as noted in the Cash Flow Projection

filed as Appendix “G” to the Eighth Report, representing a positive variance of approximately \$0.8 million as summarized below.

(\$CAD in thousands)	11 Week Cumulative to 8-Apr-22			
	Actual	Forecast	\$ Difference	% Difference
Receipts				
Receipts from Operation	-	-	-	0%
Other Receipts	32	-	32	100%
Total Receipts	32	-	32	100%
Operating Disbursements				
Payroll and Employee Related Costs	(312)	(282)	(30)	-11%
Rent and Property Taxes	-	-	-	0%
Taxes and Levies	(112)	(175)	63	36%
Other Operating Expenses	(72)	(240)	168	70%
Capital Expenditures	-	-	-	0%
Total Operating Disbursements	(496)	(697)	201	29%
Net Cash from Operations	(464)	(697)	233	33%
Restructuring Disbursements	(863)	(1,415)	552	39%
KERP	(110)	(110)	-	0%
Total Restructuring Disbursements	(973)	(1,525)	552	36%
NET CASH FLOWS	(1,437)	(2,222)	785	35%
Cash				
Beginning Balance	714	714	-	0%
Net Receipts/ (Disbursements)	(1,437)	(2,222)	785	35%
Advances from Net Proceeds of Sale	1,427	1,708	(281)	-16%
Ending Balance	704	200	504	252%

Cash Balance per Company	704
Cash Balance per Trust Account	8,509
Total Cash	9,213

Note: Remaining Cash Balance per Trust Account reflects net proceeds received from closing of the CIG Transaction and the Norfolk Transaction as well interest earned on the account. Overdue AR collected, CRA refunds collected, and other miscellaneous collections sitting in the Monitor's account are reflected above in the Company's balance for illustrative purposes but are physically sitting in the Monitor's account.

44. Explanations for key variances are as follows:

- (a) the positive variance in Other Operating Expenses of approximately \$0.2 million is temporary in nature and expected to reverse in upcoming weeks; and
- (b) the positive variance in Restructuring Disbursements of approximately \$0.6 million is temporary in nature and expected to reverse in upcoming weeks.

I. STAY EXTENSION

45. The Stay Period currently expires on April 29, 2022.
46. The Applicants are requesting an extension of the Stay Period to the time that the Discharge Certificate is filed.
47. The Discharge Certificate will be filed with the Court once the Monitor has confirmed that the remaining matters as identified in this Ninth Report in connection with the CCAA Proceedings have been completed to its satisfaction. The primary remaining activities include completion of the Distributions by the Applicants, the filing of the Outstanding Tax Returns and satisfaction of any and all requirements pursuant to the WEPP.
48. The Monitor has not provided a cash flow projection in this Ninth Report because the Applicants do not expect any further receipts and the Applicants' expenses are anticipated to be covered by the amount of the Administrative Reserve.
49. The Monitor is of the view that creditors will not be materially prejudiced by the proposed extension of the Stay Period. The Monitor believes that the Applicants have acted and continue to act in good faith and with due diligence and that the circumstances support an extension of the Stay Period.

J. APPROVAL OF THE MONITOR'S FEES AND ACTIVITIES

50. The Monitor and its legal counsel, Cassels, have been paid their fees and disbursements at their standard rates and charges by the Applicants from time to time, in accordance with paragraph 30 of the Amended and Restated Initial Order, as part of the costs of the CCAA Proceedings.
51. Pursuant to previous orders of the Court, the fees and disbursements of the Monitor for periods prior to January 16, 2022 and of Cassels for periods prior to December 31, 2021 were approved.
52. The Monitor and Cassels have maintained records of their professional time and costs. The Monitor now requests approval of its fees and disbursements for the period from January

17, 2022 to April 10, 2022, and the fees and disbursements for Cassels for the period from January 1, 2022 to April 8, 2022.

53. The total fees and disbursements of the Monitor for the period of January 17, 2022 to April 10, 2022 total \$591,994.02, including fees in the amount of \$523,888.50, disbursements in the amount of \$nil, and HST in the amount of \$68,105.52, as more particularly described in the affidavit of Jeffrey Rosenberg sworn April 14, 2022 (the “**Rosenberg Fee Affidavit**”), a copy of which is attached hereto as **Appendix “B”**.
54. The total fees and disbursements of Cassels principally from, January 1, 2022 to April 8, 2022 total \$146,579.66, including fees in the amount of \$129,716.50, disbursements in the amount of \$nil, and HST in the amount of \$16,863.16, as more particularly described in the affidavit of Ryan Jacobs sworn April 14, 2022 (the “**Jacobs Fee Affidavit**”, together with the Rosenberg Fee Affidavit, the “**Fee Affidavits**”), a copy of which is attached hereto as **Appendix “C”**.
55. As described herein, prior to the filing of the Discharge Certificate, the Monitor and its counsel will perform additional activities and expect to incur non-material fees to complete the CCAA Proceedings (the “**Estimated Remaining Fees**”), estimated to be \$300,000 (exclusive of HST). To the extent the Monitor expects that its fees and the fees of its counsel may exceed the Estimated Remaining Fees, the Monitor will seek the prior consent of AOIT to any such increased amount. As the fees of the Monitor and its counsel are all being satisfied from amounts owing to AOIT, no other creditors would be effected. Any unused portion of the Estimated Remaining Fees will be distributed to AOIT.
56. The Monitor respectfully submits that the fees and disbursements of the Monitor and its counsel, as set out in the Fee Affidavits, are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Orders issued in the CCAA Proceedings. Accordingly, the Monitor respectfully requests the approval of the fees and disbursements of the Monitor as set out in this Ninth Report, including the Estimated Remaining Fees.

57. The Monitor is also requesting approval of this Ninth Report and the activities of the Monitor described herein.

K. CONCLUSION

58. For the reasons stated in this Ninth Report, the Monitor recommends that the Court grant the proposed CCAA Termination Order sought by the FIGR Group in connection with the April 21 Motion. The Monitor respectfully submits to the Court this, its Ninth Report.

Dated this 14th day of April, 2022.

FTI Consulting Canada Inc.
In its capacity as Monitor of
FIGR Brands, Inc. and the other corporations in the FIGR Group



Jeffrey Rosenberg
Senior Managing Director



Jodi Porepa
Managing Director

APPENDIX "A"

Court File No. CV-21-00655373-00CL

**FIGR BRANDS, INC.,
AND RELATED APPLICANTS**

EIGHTH REPORT OF FTI CONSULTING CANADA INC., AS MONITOR

January 27, 2022

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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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 FIGR
BRANDS, INC., FIGR NORFOLK INC. AND 1307849 B.C. LTD.

**EIGHTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

A. INTRODUCTION¹

1. On January 21, 2021, FIGR Brands, Inc. (“**FIGR Brands**”), FIGR Norfolk Inc. (“**FIGR Norfolk**”) and Canada’s Island Garden Inc. (“**CIG**”) sought and obtained an initial order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). On June 10, 2021, the Court granted the CIG Approval and Vesting Order (as defined below) which, among other things, removed CIG as an Applicant and added 1307849 B.C. LTD. (“**Residual Co**”, and together with FIGR Brands and FIGR Norfolk, the “**FIGR Group**” or the “**Applicants**”) as an Applicant. The proceedings commenced under the CCAA by the FIGR Group are referred to herein as the “**CCAA Proceedings**”.
2. The CCAA Proceedings have progressed to the point where subject to the expected closing of the Norfolk Transaction on January 28, 2022, the Applicants will have completed realizing on substantially all of their assets. In accordance with previous Orders of the

¹ Terms not otherwise defined in this section and the following section have the meaning provided to them in the remainder of this Eighth Report.

Court, all material claims against the Applicants have also been identified (with only three (3) Claims remaining to be finally determined). In light of the foregoing, along with certain ancillary relief, the Applicants are seeking the authority to make a distribution to their creditors in the most efficient way possible in accordance with the Proposed Distribution Methodology. In addition, the employment of all Employees (other than those necessary to wind-up the business, of two of the Applicants (FIGR Norfolk and FIGR Brands)) have been or will be terminated upon closing of the Norfolk Transaction. Accordingly, the Applicants are also seeking a declaration that the WEPPA applies to FIGR Norfolk and FIGR Brands so as to provide its benefits to the former employees of those entities.

B. PURPOSE OF THIS EIGHTH REPORT

3. The purpose of this Eighth Report of the Monitor (the “**Eighth Report**”) is to provide the Court with:
 - (a) the Monitor’s comments and recommendations, regarding the FIGR Group’s motion returnable February 2, 2022 (the “**February 2 Motion**”) seeking an order (the “**Distribution & WEPPA Order**”), among other things,
 - (i) extending the Stay Period until April 29, 2022;
 - (ii) approving the Proposed Distribution Methodology which includes:
 - (A) the allocation of costs among the Applicants;
 - (B) the allocation of the DIP Facility among the Applicants;
 - (C) repayment of all amounts secured by the Intercompany Charges;
 - (D) confirmation that all Claims (including Pre-Filing Intercompany Claims) and Employee Claims against an Applicant which were asserted or confirmed in accordance with the Claims Procedure Order, Employee Claims Procedure Order or the Pre-Filing Intercompany Claims Resolution Process shall be accepted and

valid Claims for purposes of the Proposed Distributions (as defined below) (each a “**Proven Claim**”);

- (E) confirmation that all Claims (including Pre-Filing Intercompany Claims) and Employee Claims against an Applicant which were not asserted or preserved or were disallowed pursuant to the Claims Procedure Order or Employee Claims Procedure Order shall be forever barred and extinguished (each such Claim, a “**Barred and Extinguished Claim**”) and any such person asserting a Barred and Extinguished Claim shall not be entitled to participate in the Proposed Distribution & WEPPA Order;
 - (iii) authorizing the Applicants to make one or more cash distributions to each claimant with a Proven Claim pursuant to the Proposed Distribution Methodology, net of any withholding taxes based on applicable law (the “**Proposed Distributions**”);
 - (iv) declaring pursuant to section 5(5) of the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s. 1 (“**WEPPA**”) that FIGR Norfolk, FIGR Brands and their former employees meet the criteria established by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 (the “**WEPP Regulations**”) as of the date of the Distribution & WEPPA Order;
 - (v) approving this Eighth Report, the activities of the Monitor and its counsel referred to herein, and the fees and disbursements of the Monitor and its counsel as set out below; and
 - (vi) barring any person from asserting a claim against the Monitor arising from or relating to the activities of the Monitor up to and including the date of the proposed Distribution & WEPPA Order;
- (b) information regarding the activities of the Monitor and the FIGR Group since October 14, 2021, the date of the Seventh Report; and

- (c) a summary of the receipts and disbursements of the FIGR Group for the 16-week period ending January 21, 2022.

C. BACKGROUND OF THE CCAA PROCEEDINGS

- 4. Since the CCAA Proceedings were commenced on January 21, 2021, a number of orders, as described below have been made by the Court. Pursuant to and in accordance with these orders, substantially all of the FIGR Group’s assets have been realized upon and Claims and Employee Claims (each as defined below) against the FIGR Group have been identified and determined in accordance with the Claims Procedure Order and the Employee Claims Procedure Order (each as defined below), as applicable.
- 5. The Initial Order, among other things:
 - (a) appointed FTI Consulting Canada Inc. as monitor of the FIGR Group² (in such capacity, the “**Monitor**”) in the CCAA Proceedings;
 - (b) granted a stay of proceedings in favour of the FIGR Group until January 31, 2021 (the “**Stay Period**”);
 - (c) granted the Administration Charge, the Directors’ Charge, the DIP Lender’s Charge and the Intercompany Charge (each as defined in the Initial Order, and collectively the “**CCAA Charges**”); and
 - (d) authorized the FIGR Group to enter into the DIP Facility (as defined in the Pre-Filing Report of the Monitor dated January 21, 2021).
- 6. On January 29, 2021, at the comeback hearing, the following orders were issued:
 - (a) an amended and restated Initial Order (the “**Amended and Restated Initial Order**”) which, among other things:

² Note that any reference in this Eighth Report to the FIGR Group or the Applicants prior to June 28, 2021 includes CIG and not Residual Co.

- (i) increased the quantum of certain of the CCAA Charges;
 - (ii) elevated the priority ascribed to the CCAA Charges over all secured creditors; and
 - (iii) extended the Stay Period to March 31, 2021;
- (b) an order approving a sale and investment solicitation process to solicit interest in potential transactions involving the business and/or assets of the FIGR Group.

7. On February 22, 2021, the following orders were issued:

- (a) an order (the “**Claims Procedure Order**”) which, among other things:
- (i) approved a claims procedure (the “**Claims Procedure**”) to solicit, identify, determine and adjudicate Claims against the FIGR Group and their present and former Directors and Officers (as such terms are defined in the proposed Claims Procedure Order); and
 - (ii) required the Monitor to serve on the Service List (as defined below) and file with the Court a Pre-Filing Intercompany Claims Report setting out the Proposed Pre-Filing Intercompany Claims Resolution Process (as such terms are defined in the Claims Procedure Order).
- (b) an ancillary order which, among other things:
- (i) approved a key employee retention plan for certain employees of CIG;
 - (ii) extended the Stay Period to April 30, 2021; and
 - (iii) approved all filed reports of the Monitor (as of that date), and the activities of the Monitor referred to therein, as well as the fees and disbursements of the Monitor and its counsel.

8. On March 31, 2021, an order was issued which, among other things:

- (a) authorized the execution by the Applicants of the First Amendment to the DIP Facility which, among other things, increased the amount permitted to be borrowed by the FIGR Group thereunder from \$8,000,000 (plus interest and costs) to \$13,000,000 (plus interest and costs); and
 - (b) approved the third report of the Monitor dated March 26, 2021, the activities of the Monitor referred to therein, and the fees and disbursements of the Monitor and its counsel.
9. On April 30, 2021, the following orders were issued:
- (a) an order (the “**Employee Claims Procedure Order**”) which, among other things, approved a claims procedure (the “**Employee Claims Procedure**”) to identify, determine and adjudicate Employee Claims against the FIGR Group and their present and former Directors and Officers (as such terms are defined in the Employee Claims Procedure Order);
 - (b) an order which, among other things:
 - (i) extended the Stay Period to June 30, 2021; and
 - (ii) approved the fourth report of the Monitor dated April 27, 2021, the activities of the Monitor referred to therein, and the fees and disbursements of the Monitor and its counsel.
10. On June 10, 2021, the following orders were issued:
- (a) an order (the “**CIG Approval and Vesting Order**”) which, among other things:
 - (i) approved the CIG Subscription and Share Purchase Agreement and the CIG Transaction;
 - (ii) vested the Purchased Shares in the CIG Purchaser, free and clear of any Encumbrances;

- (iii) vested the Transferred Assets in CIG, free and clear from any Encumbrances, except Permitted Encumbrances;
- (iv) added, as an Applicant to the CCAA Proceedings, a newly incorporated wholly owned subsidiary of FIGR Brands, namely Residual Co.;
- (v) on or before closing, transferred and vested the Excluded Assets, Excluded Contracts and Excluded Liabilities in Residual Co.; and
- (vi) declared that CIG ceased to be an Applicant in the CCAA Proceedings;

each term as defined in the Fifth Report of the Monitor dated June 4, 2021 (the “**Fifth Report**”);

- (b) an order (the “**Norfolk Approval and Vesting Order**”) which, among other things, approved the Norfolk Transaction and vested the Purchased Assets in the Norfolk Purchaser (as such terms are defined in the Fifth Report) free and clear of all claims and encumbrances;
- (c) an order (the “**June Ancillary Order**”) which, among other things,
 - (i) extended the Stay Period until September 3, 2021;
 - (ii) authorized the execution by the Applicants of the Second DIP Amendment which, *inter alia*, increased the amount permitted to be borrowed by the FIGR Group thereunder from \$13,000,000 (plus interest and costs) to \$16,000,000 (plus interest and costs);
 - (iii) approved an increase to the DIP Lender's Charge (as defined in the Amended and Restated Initial Order) up to a maximum amount of \$16,000,000 (plus interest and costs);
 - (iv) authorized and empowered the FIGR Group, with the consent of the Monitor (or the Monitor on behalf of the FIGR Group), to make or cause to be made distributions from available funds or proceeds to the DIP Lender

(as defined below) in repayment of the obligations secured by the DIP Lender's Charge;

- (v) approved the Proposed Pre-Filing Intercompany Claims Resolution Process (as defined in the Claims Procedure Order); and
- (vi) approved the Fifth Report, the activities of the Monitor referred to therein, and the fees and disbursements of the Monitor and its counsel as set out therein.

11. On August 24, 2021, an order was made which, among other things:

- (a) extended the Stay Period until October 29, 2021;
- (b) approved a key employee retention plan for certain employees of FIGR Norfolk;
- (c) sealed the Confidential Appendix (as defined in the Sixth Report of the Monitor dated August 19, 2021 (the “**Sixth Report**”)) containing sensitive information regarding the identity and compensation of the Norfolk Key Employees (as defined in the Sixth Report); and
- (d) approved the Sixth Report, the activities of the Monitor, and the fees and disbursements of the Monitor and its counsel referred to therein.

12. On October 19, 2021, an order was made which, among other things:

- (a) extended the Stay Period until February 4, 2022; and
- (b) approved the Seventh Report of the Monitor dated October 14, 2021 (the “**Seventh Report**”), the activities of the Monitor, and the fees and disbursements of the Monitor and its counsel referred to therein.

D. TERMS OF REFERENCE

13. In preparing this Eighth Report, the Monitor has relied upon audited and unaudited financial information of the FIGR Group, the FIGR Group's books and records, certain financial information and forecasts prepared by the FIGR Group, and discussions with

various parties, including senior management (“**Management**”) of, and advisors to, the FIGR Group (collectively, the “**Information**”).

14. Except as otherwise described in this Eighth Report:
 - (a) the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
 - (b) the Monitor has not examined or reviewed the financial forecasts or projections referred to in this Eighth Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
15. Future-oriented financial information reported in, or relied on, in preparing this Eighth Report is based on Management’s assumptions regarding future events. Actual results will vary from these forecasts and such variations may be material.
16. The Monitor has prepared this Eighth Report in connection with the February 2 Motion. The Eighth Report should not be relied on for any other purpose.
17. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
18. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the affidavit of Michael Devon, the Chief Financial Officer of FIGR Brands, sworn on January 26, 2022, the Amended and Restated Initial Order, or the Seventh Report, as applicable.

E. ACTIVITIES OF THE MONITOR

Activities of the Monitor

19. Since the date of the Seventh Report, the Monitor has undertaken the following activities:
 - (a) engaged with the FIGR Group, its legal counsel and the Norfolk Purchaser with respect to the Norfolk Transaction, the amendments to the Norfolk Sale Agreement,

and the holding of the necessary documents and funds in escrow to facilitate closing of the Norfolk Transaction, which as described in greater detail below is expected to occur January 28, 2022;

- (b) engaged with Health Canada regarding the Norfolk Transaction and FIGR Norfolk's intention to remain in compliance with its licenses under the *Cannabis Act*, S.C. 2018, c. 16, as amended;
- (c) supervised and assisted with activities related to the Claims Procedure and Employees Claims Procedure, as described in greater detail below;
- (d) engaged with the FIGR Group and their counsel with respect to a settlement agreement between Dorsay Development Corporation and Ontari Holdings Ltd. (the "**Landlord**"), FIGR Brands and Alliance One International GmbH ("**Alliance One**"), as described in greater detail in paragraph 34 below;
- (e) engaged with its legal counsel, Cassels Brock & Blackwell LLP ("**Cassels**"), regarding matters related to the CCAA Proceedings;
- (f) maintained the service list for these CCAA Proceedings (the "**Service List**") and posted same on the Monitor's Website;
- (g) continued to operate and monitor its telephone hotlines and email account for stakeholder inquiries;
- (h) engaged in discussions with the FIGR Group, its legal counsel, and its Directors and Management regarding issues related to the FIGR Group's operations, including disbursements of the FIGR Group;
- (i) participated in discussions with Pyxus International, Inc. ("**Pyxus**") and related entities regarding services provided to the FIGR Group, including assisting in the preparation of information for Pyxus and the board of directors of Pyxus; and

- (j) assisted the FIGR Group in discussions with suppliers, creditors and employees related to the CCAA Proceedings and responded to requests for information from certain of such parties.

F. CIG TRANSACTION POST CLOSING MATTERS

- 20. Subject to payments which were secured by the Intercompany Charges described below, the Monitor continues to hold the net proceeds from the sale of the Purchased Shares and the proceeds of the Transferred Asset Promissory Note (the “**Sale Proceeds**”) for the benefit of the CIG Vendor, and the net proceeds from the issuance of the Subscribed Shares (together with the Sale Proceeds, the “**Net Proceeds**”) for the benefit of Residual Co, subject to further order of the Court.

G. UPDATE ON THE NORFOLK TRANSACTION

- 21. The principal elements of the Norfolk Transaction were set out in the Fifth Report. A copy of the Fifth Report, without appendices is attached to this Eighth Report as **Appendix “A”**. Capitalized terms in this section not defined herein have the meaning ascribed to them in the Fifth Report or Norfolk Sale Agreement, as applicable.
- 22. As described in the Sixth Report, FIGR Norfolk and the Norfolk Purchaser, with the consent of the DIP Lender and the Monitor, entered into the First Norfolk APA Amendment and the Second Norfolk APA Amendment (each as defined in the Sixth Report) which, among other things, extended the Outside Date from July 30, 2021 to August 31, 2021.
- 23. As described in the Seventh Report, on October 13, 2021, FIGR Norfolk and the Norfolk Purchaser, with the consent of the DIP Lender and the Monitor, entered into the Third Amendment to the Norfolk Sale Agreement (the “**Third Norfolk APA Amendment**” which, among other things:
 - (a) extended the Outside Date from August 31, 2021 to October 29, 2021; and
 - (b) modified section 9.6 of the Norfolk Sale Agreement to reflect the terms of the Norfolk Approval and Vesting Order.

24. On January 1, 2022, FIGR Norfolk and the Norfolk Purchaser, with the consent of the DIP Lender and the Monitor, entered into the Fourth Amendment to the Norfolk Sale Agreement (the "**Fourth Norfolk APA Amendment**") which, among other things:
- (a) extended the Outside Date to January 14, 2022;
 - (b) modified Schedule "F" of the Norfolk Sale Agreement to reflect the reduced list of Transferred Employees;
 - (c) provided confirmation by the Purchaser that Closing of the Norfolk Transaction was in no way conditional upon the Phase 2 environmental assessment which the Purchaser had elected to complete;
 - (d) contained an acknowledgement by the Vendor that the Purchase Price shall be reduced by \$10,000 on Closing of the Norfolk Transaction; and
 - (e) included an agreement by the Vendor and the Purchaser that certain work as described in Schedule "A" thereto be undertaken by the Purchaser (the "**Purchaser Work**") on the FIGR Norfolk Facility prior to Closing of the Norfolk Transaction provided that prior to commencing such Purchaser Work the Purchaser pay the Damage Deposit of \$15,000 to the Monitor.

A copy of the Fourth Norfolk APA Amendment is attached to this Eighth Report as **Appendix "B"**.

25. On January 8, 2022, the Monitor received an email from counsel to the Norfolk Purchaser stating that the Norfolk Purchaser would not be prepared to close until after the January 14, 2022 Outside Date because its lender was still completing due diligence. Based upon, among other things, the number of previous extensions to the Outside Date, FIGR Norfolk and the Monitor were concerned that the Norfolk Purchaser would be unable to close the Norfolk Transaction. On January 10, 2022, FIGR Norfolk, with the Monitor's consent, delivered a letter to the Norfolk Purchaser (the "**APA Termination Letter**"), which set out certain defaults of the Norfolk Purchaser under the Norfolk Sale Agreement and terminated the Norfolk Sale Agreement for reason of the Norfolk Purchaser's failure to

satisfy the Financing Covenant under Section 4.3. The APA Termination Letter also indicated that FIGR Norfolk would retain the full amount of the Deposit together with any accrued interest pursuant to Section 4.2(d) of the Norfolk Sale Agreement. A copy of the APA Termination Letter is attached to this Eighth Report as **Appendix “C”**.

26. On January 11, 2022, the Norfolk Purchaser advised the Monitor that it remained committed to closing the Norfolk Transaction. On the same date, the Norfolk Purchaser delivered a letter to FIGR Norfolk setting out the Norfolk Purchaser’s position that the Norfolk Sale Agreement was not properly terminated, providing a response to certain issues raised in the APA Termination Letter, and indicating that the Norfolk Purchaser was ready, willing and able to imminently close on a date agreed to by the parties (the **“January 11 Reply Letter”**). A copy of the January 11 Reply Letter is attached to this Eighth Report as **Appendix “D”**.
27. On January 12, 2022, FIGR Norfolk, with the consent of the Monitor, delivered a letter to counsel to the Norfolk Purchase in response to the January 11 Reply Letter (the **“Reinstatement Letter”**). The Reinstatement Letter provided that in order to mitigate its damages, FIGR Norfolk was prepared to reinstate and further amend the Norfolk Sale Agreement provided the Norfolk Purchaser satisfied certain conditions (the **“Reinstatement Conditions”**) by a specified deadline. A copy of the Reinstatement Letter is attached to this Eighth Report as **Appendix “E”**.
28. Counsel to the Norfolk Purchaser advised that the proposal set forth in the Reinstatement Letter was acceptable with certain minor amendments. It maintained its position, however, that the Norfolk Sale Agreement was not properly terminated and therefore did not need to be reinstated.
29. On January 19, 2022, FIGR Norfolk and the Norfolk Purchaser, with the consent of the DIP Lender and the Monitor, entered into the Reinstatement Agreement and Fifth Amendment to the Norfolk Sale Agreement (the **“Reinstatement Agreement and Fifth Norfolk APA Amendment”** and together with the First Norfolk APA Amendment, the Second Norfolk APA Amendment, the Third Norfolk APA Amendment, and the Fourth Norfolk APA Amendment, the **“Norfolk APA Amendments”**). A copy of the

Reinstatement Agreement and Fifth Norfolk APA Amendment is attached to this Eighth Report as **Appendix “F”**. The Reinstatement Agreement and Fifth Norfolk APA Amendment, among other things:

- (a) extended the Outside Date to January 28, 2022;
 - (b) provided for certain acknowledgements of the parties in respect of the Norfolk Transaction;
 - (c) provided for a reduction in the Purchase Price in an amount no greater than \$20,000 to be applied on Closing to cover certain interest costs incurred by the Norfolk Purchaser on the Closing Funds (as defined therein); and
 - (d) provided that FIGR Norfolk would instruct Hyde Advisory & Investments (“**Hyde**”) to advise Health Canada that the Parties (as defined therein) were prepared to close the Norfolk Transaction on January 28, 2022 in the event the Norfolk Purchaser satisfied the Reinstatement Conditions by January 19, 2022 at 6:00 PM (Toronto Time) (the "**Reinstatement Deadline**").
30. The Reinstatement Conditions, including the delivery of the various closing documents and funds necessary to satisfy the Purchase Price under the Norfolk Sale Agreement to the Monitor in escrow, were ultimately satisfied by the Norfolk Purchaser by the Reinstatement Deadline. On the same date, at the instruction of FIGR Norfolk and the Norfolk Purchaser, Hyde advised Health Canada that the closing date of the Norfolk Transaction was expected to be January 28, 2022. It is expected that the Norfolk Transaction will close on Friday, January 28, 2022. Should the Norfolk Transaction not close as expected, the Monitor will provide a further update to the Court accordingly.

H. UPDATE ON CLAIMS AND EMPLOYEE CLAIMS³

31. Claims against the FIGR Group were identified in one of three ways. First, Pre-Filing Claims, Pre-Filing D&O Claims and Restructuring Claims were determined pursuant to the Claims Procedure Order. Second, Pre-Filing Intercompany Claims were determined pursuant to the Claims Procedure Order and the June Ancillary Order which approved the Pre-Filing Claims Resolution Process. Third, Employee Claims were determined in accordance with the Employee Claims Procedure.

Pre-Filing Claims, D&O Claims and Restructuring Claims

32. Pursuant to the Claims Procedure Order all persons wishing to assert a Claim (including a Pre-Filing Intercompany Claim) but excluding Employee Claims or Claims secured by the CCAA Charges were required to file a Proof of Claim. Proofs of Claim for Pre-Filing Claims, D&O Pre-Filing Claims and Pre-Filing Intercompany Claims were to be received by the Monitor prior to 5:00 pm on April 6, 2021 (the “**Pre-Filing Claims Bar Date**”). Proofs of Claim for Restructuring Period Claims were to be received by the Monitor by the earlier of the Pre-Filing Claims Bar Date or the date that was 30 days after the Monitor sends a Claims Package with respect to a Restructuring Claim to such Claimant.
33. There were no Pre-Filing D&O Pre-Filing Claims received. Subject to the execution of the settlement agreement described in paragraph 34 below, all Proofs of Claim received in respect of Pre-Filing Claims and Restructuring Claims have been resolved pursuant to the process provided in the Claims Procedure Order and are summarized below.
34. The Monitor has continued to review, determine and adjudicate certain outstanding unsecured Claims filed in accordance with the Claims Procedure Order. As referenced in paragraph 19(d) above, we understand a settlement has been agreed to and the parties are in the process of executing the relevant agreement for the final remaining outstanding Pre-Filing Claim, being the Claim filed by the Landlord. The terms of the settlement include

³ Terms not otherwise defined in this section have the meaning provided to them in the Claims Procedure Order or the Employee Claims Procedure Order.

that the Monitor shall accept a Claim in favour of the Landlord in the amount of \$263,797.12 (the “**Accepted Landlord Claim**”), being a reduction from the amount asserted in the Proof of Claim submitted by the Landlord in the original amount of \$940,422.46 (the “**Landlord Claim**”). In the Monitor’s view, taking in to account the retention by the Landlord of the security deposit under the lease and mitigation issues, the Accepted Landlord Claim amount is appropriate in the circumstances. The settlement also provides that the Landlord is assigning the Landlord Claim to Alliance One in exchange for a payment by Alliance One.

Disallowed or Revised Claims

35. Pursuant to paragraph 30 of the Claims Procedure Order, the Monitor has sent Notices of Revision or Disallowance to nine (9) Claimants. Any Claimant that wished to dispute a Notice of Revision or Disallowance was required to deliver a Notice of Dispute of Revision or Disallowance by no later than 5:00 p.m. (Eastern Time) on the date that was fourteen (14) Calendar Days after the date the Monitor sent such Claimant a Notice of Revision or Disallowance.
36. Since the date of the Seventh Report, the fourteen (14) Calendar Day period to send the Monitor a Notice of Dispute has passed for all nine (9) of the Claimants and the Monitor did not receive any Notices of Dispute in respect of such Claims.

Disclaimed Contracts

37. The FIGR Group has disclaimed nine (9) contracts that the FIGR Group was a party to by sending each counterparty (the “**Disclaimed Parties**”) a notice of disclaimer pursuant to section 32 of the CCAA. In accordance with paragraph 20 of the Claims Procedure Order, the Monitor sent each of these Disclaimed Parties a Claims Package. The Restructuring Claims Bar date for each of the Disclaimed Parties is thirty (30) days after the Monitor sent such Disclaimed Party a Claims Package.
38. As of the date of this Eighth Report:
 - (a) all of the Disclaimed Parties’ Restructuring Claims Bar Dates have passed;

- (b) seven (7) Disclaimed Parties did not submit a Claim before their Restructuring Claims Bar Date passed; and
- (c) two (2) Disclaimed Parties submitted Restructuring Claims. Of these submitted Restructuring Claims, one (1) has been accepted and one (1) (the Landlord Claim referred to above) has been settled.

Pre-Filing Intercompany Claims

39. Pre-Filing Intercompany Claims received by the Pre-Filing Claims Bar Date were subject to determination pursuant to the Pre-Filing Claims Resolution Process approved by the June Ancillary Order. That process provided that any person who wished to object to a Pre-Filing Intercompany Claim as summarized in the Fifth Report must serve an objection no later than 30 days after the date the Monitor served a Pre-Filing Intercompany Claims Notice as required by the June Ancillary Order. The Monitor served such notice on June 11, 2021 and no objections were received.
40. Accordingly, all Pre-Filing Intercompany Claims as set out in the Fifth Report were deemed to be accepted as valid claims in accordance with the June Ancillary Order. The following summarizes the Pre-Filing Intercompany Claims held by and against each entity:

Claims (\$ millions)	FIGR Brands, Inc.	FIGR Norfolk Inc.	Canada's Island Garden Inc.	Total Allowed Claim
FIGR Brands, Inc.	\$ -	\$ 48.0	\$ 104.2	\$ 152.2
FIGR Norfolk Inc.	\$ -	\$ -	\$ 9.0	\$ 9.0
Canada's Island Garden Inc.	\$ -	\$ 0.0	\$ -	\$ 0.0
Alliance One International Tabak B.V.	\$ 194.0	\$ -	\$ -	\$ 194.0
Total	\$ 194.0	\$ 48.0	\$ 113.2	\$ 355.2

Employee Claims

41. Employee Claims, being the Claim of any Employee for vacation pay, termination pay, severance pay, wages, expenses, commissions or other remuneration arising as a result of the termination of employment of a layoff of such Employee by an Application prior to the Filing Date or during the CCAA Proceedings, were determined in accordance with the Employee Claims Procedure. The Employee Claims Procedure was a reverse notice process, whereby the FIGR Group in consultation with the Monitor prepared a statement of an assessment of the quantum of such Employee's Claim based on the books and records

of the FIGR Group. That statement was sent as part of an Employee Claims Package to each holder of a potential Employee Claim and the Employee had 30 days to dispute the amount set out therein.

42. The Employee Claims Procedure is in the process of being carried out in accordance with the Employee Claims Procedure Order.
43. To date, the Monitor has sent Employee Claims Packages to former Employees within ten (10) Business Days of their employment being terminated if their employment was terminated following the date the Employee Claims Procedure Order was granted, or following the date their temporary layoff ceased to be temporary under the *Employment Standards Act, 2000*, S.O. 2000, c. 41, as amended (or similar applicable provincial statute), if this occurs following the date the Employee Claims Procedure Order is granted.
44. Thirty Eight (38) Employees in total (twenty two (22) Employees of FIGR Brands and sixteen (16) of FIGR Norfolk), have had their employment terminated since the commencement of the CCAA Proceedings. In accordance with the Employee Claims Procedure Order, the Monitor sent Employee Claim Statements and Employee Claim Packages to all such Employees. The majority of CIG's Employees have remained as employees of CIG.
45. The Monitor expects one additional Employee of FIGR Norfolk will be terminated upon closing of the Norfolk Transaction. This will leave only two (2) individuals employed by FIGR Brands (both of whom are officers or directors of the Applicants and required for the final wind down). Those two (2) remaining individuals are in the process of finalizing exit agreements which are expected to include settlements in respect of their Claims against FIGR Brands.
46. The Monitor will provide additional updates on the Employee Claims Procedure as required.

Summary of Claims

47. In summary, there are no remaining secured, priority or Pre-Filing D&O Claims asserted. The following summarizes the accepted unsecured claims against each entity. The summary includes estimates for the three remaining outstanding employee claims as noted above.

Claims (#)	Allowed Unsecured Claims		Total Allowed
	Intercompany	Third Party	
FIGR Norfolk Inc.	2	26	28
Canada's Island Garden Inc.	2	21	23
FIGR Brands, Inc.	1	31	32
Total	5	78	83

Claims (\$ millions)	Allowed Unsecured Claims		Total Allowed
	Intercompany	Third Party	
FIGR Norfolk Inc.	\$ 48.0	\$ 0.3	\$ 48.3
Canada's Island Garden Inc.	\$ 113.2	\$ 1.2	\$ 114.4
FIGR Brands, Inc.	\$ 194.0	\$ 4.6	\$ 198.6
Total	\$ 355.2	\$ 6.1	\$ 361.3

I. RECEIPTS AND DISBURSEMENTS

48. The FIGR Group's actual negative net cash flow on a consolidated basis for the 16-week period ending January 14, 2022 was approximately \$1.6 million, compared to a forecast negative cash flow of approximately \$2.0 million as noted in the Cash Flow Projection filed as Appendix "B" to the Seventh Report, representing a positive variance of approximately \$0.4 million as summarized below.

(\$CAD in thousands)	16 Week Cumulative to 21-Jan-22			
	Actual	Forecast	\$ Difference	% Difference
Receipts				
Receipts from Operation	-	-	-	0%
Other Receipts	146	-	146	100%
Total Receipts	146	-	146	100%
Operating Disbursements				
Payroll and Employee Related Costs	(605)	(511)	(94)	-18%
Rent and Property Taxes	(16)	-	(16)	-100%
Taxes and Levies	(113)	(115)	2	2%
Other Operating Expenses	(74)	(479)	405	85%
Capital Expenditures	-	-	-	0%
Total Operating Disbursements	(808)	(1,105)	297	27%
Net Cash from Operations	(662)	(1,105)	443	40%
Restructuring Disbursements	(914)	(862)	(52)	-6%
KERP	-	-	-	0%
Total Restructuring Disbursements	(914)	(862)	(52)	-6%
NET CASH FLOWS	(1,576)	(1,967)	391	20%
Cash				
Beginning Balance	1,432	1,432	-	0%
Net Receipts/ (Disbursements)	(1,576)	(1,967)	391	20%
Advances from Net Proceeds of Sale	858	735	123	17%
Ending Balance	714	200	514	257%
Cash Balance per Company	714			
Cash Balance per Trust Account	9,934			
Total Cash	10,648			

Note: Remaining Cash Balance per Trust Account reflects net proceeds received from closing of the CIG Transaction and the Norfolk Transaction as well interest earned on the account. Overdue AR collected, CRA refunds collected, and other miscellaneous collections sitting in the Monitor's account are reflected above in the Company's balance for illustrative purposes but are deposited within the Monitor's account.

49. Explanations for key variances are as follows:

- (a) the positive variance in Other Receipts of approximately \$0.1 million primarily relates to HST refunds received but not forecast; and
- (b) the positive variance in Other Operating Expenses of approximately \$0.4 million is temporary in nature and expected to reverse in upcoming weeks.

J. PROPOSED DISTRIBUTION METHODOLOGY

50. As described earlier herein, the Applicants have sold all of their operating business assets and no further realizations are expected. Further, as described above, the Applicants and Monitor have completed a review of Claims (including Pre-Filing Intercompany Claims) and Employee Claims filed against the Applicants in accordance with the Claims Procedure

Order and Employee Claims Procedure Order. As described further herein, the Applicants are holding cash balances that, at this time, can be distributed to holders of the Proven Claims subject to a reserve for administrative costs (the “**Administrative Reserve**”). Accordingly, the Applicants are seeking approval for the Applicants to make the Proposed Distributions to holders of Proven Claims.

Net Cash Balances

51. As a result of sales and asset realizations, and assuming the FIGR Norfolk Transaction closes as expected on January 28, 2022, the Applicants will have received total cash from asset realizations of \$27.7 million.⁴ After repayment of the DIP Facility and other post-filing or priority amounts, the estimated net cash available for distribution by each Applicant totals approximately \$10.3 million (the “**Net Cash Balances**”). Balances below are subject to change based on the closing of the Norfolk Transaction. The following table presents a summary of the estimated Net Cash Balances by Applicant.

Debtor (\$ millions)	Funds Received	Priority Payments	DIP Repayment	Post-Filing Interco Charge	Direct Proceeds Available for Distribution
FIGR Norfolk Inc.	5.0	(0.1)	(1.9)	(2.0)	1.1
Canada's Island Garden Inc.	21.4	(0.4)	(7.5)	(4.7)	8.8
FIGR Brands, Inc.	1.3	-	(4.6)	3.7	0.4
Total	27.7	(0.5)	(14.0)	(3.0)	10.3

52. The deductions from, and adjustments to, the funds received from the CIG Transaction and the Norfolk Transaction to arrive at the Net Cash Balances are based on the following methodology described further herein:

- (a) Funds Received: As a result of the sale of assets described above as well as interest earned on funds in the Monitor’s trust account, the Applicants and/or the Monitor received cash balances in the aggregate amount of approximately \$27.7 million. CIG funds totalling approximately \$21.0 million and FIGR Brands funds totalling approximately \$1.3 million were received on June 28, 2021 and Norfolk funds of

⁴ Funds Received also includes interest earned on the Monitor’s trust account.

approximately \$5 million are expected to be received on January 28, 2022 (the “**Direct Proceeds from Asset Sales**”).⁵ Other funds of approximately \$0.4 million relate to interest earned on the Monitor’s trust account throughout the CCAA proceedings as well as collection of outstanding accounts receivable and HST refunds related to the CIG Transaction described above;

- (b) Priority Payments: Payments totalling approximately \$0.5 million have been made to satisfy certain liens, secured claims and vacation pay entitlements. Certain of the lien payments and secured claim payments were described in greater detail in the Fifth Report;
- (c) DIP Facility Repayment: Pursuant to the June Ancillary Order, DIP Facility draws totalling approximately \$14.0 million, including approximately \$13.7 million in principal and DIP Facility interest of approximately \$0.3 million, were repaid on July 8, 2021, but secured against the assets of all of the Applicants. The DIP Facility was advanced solely to FIGR Brands and was repaid using a portion of the Net Proceeds of the CIG Transaction. Allocation of the DIP Facility among the Applicants is addressed by way of the post-filing Intercompany Charge amounts described below. The DIP Facility funds had been used by the Applicants to fund the following:
 - (i) Operational negative net cash flows incurred directly by each Applicant; and
 - (ii) Restructuring related professional fee disbursements allocated on a pro rata calculation based on each entity's portion of Direct Proceeds from Asset Sales; and
- (d) Intercompany Charge amounts as described below.

⁵ Norfolk funds are currently located in the Monitor’s account in escrow.

Intercompany Charge Amounts and Cost Allocation

53. The Amended and Restated Initial Order at paragraph 39 provides that to the extent any Applicant, after the date of the Order, makes any payment to or on behalf of, or incurs any obligation on behalf of, or discharges any obligation of, an Applicant (other than itself) or otherwise transfers value to or for the benefit of one or more Applicants (other than itself), such Applicant is granted an Intercompany Charge on all of the Property of the receiving Applicant in the amount of such payment, obligation or transfer.
54. During the pendency of the CCAA Proceeding, funds from one Applicant were used to fund expenses of the other Applicants. Most commonly (i) DIP Facility proceeds advanced to FIGR Brands were used to fund operating expenses and professional fees incurred by CIG and FIGR Norfolk; and (ii) following closing of the CIG Transaction and repayment in full of the DIP Facility from the Net Proceeds, additional funds from the Net Proceeds were used to fund expenses of the other Applicants, most commonly FIGR Norfolk. As well, services provided by one Applicant (most commonly FIGR Brands) were provided for the benefit of the other Applicants.
55. The Net Cash Balances in the table set forth in paragraph 50 above in respect of “Post-Filing Intercompany Charge Amounts” include:
 - (a) amounts related to the delivery of services by FIGR Brands to FIGR Norfolk and CIG (prior to closing of the CIG Transaction and the Norfolk Transaction) which have been included consistent with the methodology employed by FIGR prior to the CCAA Proceedings;
 - (b) amounts related to the operational negative net cash flows incurred and estimated to be incurred directly by each Applicant; and
 - (c) amounts related to professional fees occurred in respect of the CCAA Proceedings, which have been allocated as described below.
56. For purposes of determining the Intercompany Charge amounts, the restructuring related professional fee disbursements have been allocated as follows:

- (a) for the time prior to the closing of the CIG Transaction: on a pro rata calculation based on each entity's expected Direct Proceeds from Asset Sales;⁶
- (b) for the time after close of the CIG Transaction and before the closing of the Norfolk Transaction: between FIGR Brands at approximately 33.3% and FIGR Norfolk at approximately 66.6%, respectively. The majority of professional fee time spent during this period relates to ongoing monitoring at FIGR Brands and FIGR Norfolk and efforts to close the Norfolk Transaction; and
- (c) for the time following closing of the Norfolk Transaction: the professional fees will form part of the Administrative Reserve (described below in greater detail) and it is being proposed that this Administrative Reserve will be held back entirely from the Pyxus Claim and therefore will not be allocated amongst the Applicants.

57. The Monitor is of the view that the above process to allocate costs among the Applicants is fair and reasonable, as most of the costs were directly allocated to the respective Applicant that benefitted from the service. As part of the approval of the Proposed Distribution Methodology (as defined below), the Monitor seeks approval of this Court with respect to this methodology to allocate costs among the Applicants. The proposed method for the allocation of costs is used in the calculation of the Net Cash Balances. If the methodology for the allocation of costs changes, that will affect the Net Cash Balances for each Applicant. However, given the overwhelming amount of the Pre-Filing Intercompany Claims and since the majority of the Pre-Filing Claims are held by Alliance One International Tabak B.V. (“**AOIT**”) (which were assigned to it by Alliance One), the allocation will not materially affect the ultimate distributions.

Proposed Process for Distribution

58. The Proposed Distributions in respect of the Net Cash Balances of each Applicant is as follows:

⁶ As further described in paragraph 51(c)(ii).

- (a) each claimant holding a Proven Claim will receive a pro rata distribution from each entity up to the maximum amount of their Proven Claim amount;
- (b) all distributions will be made in Canadian dollars. Any Proven Claim denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily average exchange rate on the Filing Date, which for United States dollars is USD 1: CAD 1.2627;
- (c) for greater certainty, Proven Claims include all Claims (including Pre-Filing Intercompany Claims) and Employee Claims that have been finally determined in accordance with the Claims Procedure Order, Employee Claims Procedure Order or Pre-Filing Claims Resolution Process as described above. Any person who was required to but did not assert a Proven Claim in accordance with the Claims Procedure Order or the Employee Claims Procedure Order shall not be entitled to a distribution and shall be forever barred and such claim extinguished;
- (d) subject to the Administrative Reserve noted below, no secured claims or priority claims remain;
- (e) the Pre-Filing Intercompany Claims include claims by one Applicant against another Applicant. Distributions made by one Applicant with respect to Pre-Filing Intercompany Claims of another Applicant will ultimately form cash available for distribution to third party claimants of another Applicant. In other words, distribution of Pre-Filing Intercompany Claims of one Applicant against another will redistribute some of the cash from one Applicant to another;
- (f) following the reallocation of proceeds to determine Net Cash Balances described above, each Intercompany Charge will no longer be required to secure the Pre-Filing Intercompany Claims and therefore the Monitor is of the view that each Intercompany Charge can be released and discharged;
- (g) certain Pre-Filing Intercompany Claims, however, are held by AOIT (the “**Pyxus Claims**”), a party related to the Applicants, but who is not itself an Applicant;

These are the most significant (by value) of the unsecured Claims against the Applicants and are treated as third party claims for distribution purposes;

- (h) the Monitor notes that although CRA initially filed marker proofs of claim against each of the Applicants, the CRA has voluntarily withdrawn its claim against each of the Applicants;
- (i) the following Chart outlines the percentage and dollar recovery (prior to accounting for the Administrative Reserve) for each Applicants' third party creditors including the Pyxus Claims:

Debtor (\$ millions)	Estimated Third Party Distribution Pool	Estimated Third Party Claims Pool	Estimated Third Party Distribution
FIGR Norfolk Inc.	0.0	0.3	3%
Canada's Island Garden Inc.	0.1	1.2	8%
FIGR Brands, Inc.	10.2	198.6	5%
Total	10.3	200.1	

- (j) given the size of the Pyxus Claims relative to other third party creditors, the Monitor proposes that the Administrative Reserve, described below, be held back entirely from the Pyxus Claims.⁷ This will facilitate the distributions and significantly reduce administrative costs by permitting only one distribution be made to holders of Proven Claims other than the Pyxus Claims. The Monitor has discussed this proposal with Pyxus who has agreed with same;
- (k) the Administrative Reserve is proposed to be in the amount of approximately \$2.1 million and will stand as security for the Administration Charge and the Directors' Charge. The Administrative Reserve will be used to pay all remaining professional fee disbursements of counsel to the Applicants, the Monitor and counsel to the Monitor in respect of the CCAA Proceedings, wages and fees of certain Directors and Officers (as such terms are defined in the Claims Procedure Order) that may be incurred and any Claims that may be made against the Directors or Officers until

⁷ The Pyxus Claims in the amount of approximately \$194 million against FIGR Brands are expected to receive approximately 97 percent of the total funds available for distribution to FIGR Brands' creditors.

the termination of the CCAA Proceedings. Currently, there are no known Claims against the Directors or Officers relating to liabilities incurred post-filing. In the Monitor's view, it is appropriate that following the making of the distributions, the Administration Charge and Directors' Charge attach solely to the Administrative Reserve; and

- (1) any Claimant (as defined in the Claims Procedure Order) may transfer its claim in accordance with the Claims Procedure Order, provided that neither the Applicants nor the Monitor shall be obligated to deal with the transferee of such Claim, including the making of any distribution in respect of such Claim by the Applicants to such transferee, unless and until written notice of such transfer or assignment, together with evidence satisfactory to the Applicants and the Monitor, has been received by the Monitor and the Monitor has provided written confirmation acknowledging the transfer or assignment of such Claim prior to the distributions being made. In the event the Monitor has not acknowledged such assignment prior to the distributions being made, the Applicants will make distributions to the transferor of such Claim.

59. Collectively, paragraphs 50 to 57 are referred to as the “**Proposed Distribution Methodology**”. The Monitor is of the view that the Proposed Distribution Methodology is fair and allows for distributions in an efficient manner. Accordingly, the FIGR Group is seeking the approval of this Court of the Proposed Distribution Methodology as described herein.

K. WEPPA DECLARATION

60. Section 5(1) of the WEPPA provides that an individual is eligible to receive payment under that Act if, among other things, (i) the individual is owed eligible wages by a former employer; (ii) the former employer is subject to proceedings under the CCAA; and (iii) a court determines under subsection 5(5) that criteria prescribed by regulation are met.

61. The recently enacted section 5(5) of the WEPPA provides that on application by any person, a court under the CCAA may determine that a former employee meets criteria prescribed by regulation. Section 3.2 of the WEPP Regulations provides that “*for purposes of subsection 5(5) of the [WEPPA], a court may determine whether the former employer is the former employer of all of whose employees in Canada have been terminated other than any retained to wind down its business operations (emphasis added).*”
62. At the commencement of the CCAA Proceedings, FIGR Norfolk had approximately 25 employees. The employment of all of FIGR Norfolk’s employees other than the six (6) Transferred Employees (as defined in the Norfolk Sale Agreement) were terminated on or about December 21, 2021 following a period of layoff commencing on or about February 2, 2021. The Transferred Employees were retained solely to ensure that the Health Canada cannabis licenses remained in good standing in order to facilitate the closing of the Norfolk Transaction. As noted above, one additional employee is expected to be terminated upon closing of the Norfolk Transaction.
63. At the commencement of the CCAA Proceedings, FIGR Brands had approximately 30 employees. The employment of almost all of FIGR Brands’ employees were terminated, with the last one being terminated on or about July 30, 2021. As noted above, two (2) FIGR Brands’ employees are being retained solely to facilitate the sale of the remaining assets of the FIGR Group and to wind-down its business operations.
64. Accordingly, the Monitor is of the view that the employment of all employees of both FIGR Norfolk and FIGR Brands, other than those required to wind down and liquidate its business operations will have been terminated on the expected closing of the Norfolk Transaction. As such, the Monitor supports the Applicants request for a declaration that FIGR Norfolk and FIGR Brands are former employers for the purposes of section 5(5) of the WEPPA.
65. The Monitor recently corresponded by email and video conference with individuals from Labour Program Employment and Social Development Canada (“**LPESDC**”), the Government of Canada agency responsible for assessing and implementing WEPP policy, to provide information on the CCAA Proceedings and enquire on the WEPP eligibility

criteria and application in the circumstances. Based on the Monitor's description of the CCAA Proceedings and the employee terminations to date (and those expected to occur upon closing of the Norfolk Transaction), LPESDC advised the Monitor that it did not have any concerns regarding the application of the WEPPA in the circumstances.

66. LPESDC advised that their understanding was that the date of the Distribution & WEPPA Order, if granted, would be the date FIGR Norfolk, FIGR Brands and their former employees become eligible under WEPPA. LPESDC is on the Service List for the CCAA Proceedings and was served with the Applicants' Motion Record for the February 2 Motion.

L. STAY EXTENSION

67. The Stay Period currently expires on February 4, 2022.
68. The FIGR Group is seeking a further extension of the Stay Period to April 29, 2022 as it will allow the Applicants to complete the Proposed Distributions and administer WEPPA, should the relief requested on the February 2 Motion by the Applicants be approved by the Court.
69. As is demonstrated in the cash flow projection attached to this Eighth Report as **Appendix "G"** (the "**Revised Cash Flow Projection**"), the FIGR Group is forecast to have sufficient liquidity to fund their obligations and the costs of the CCAA Proceedings through the end of the extended Stay Period. The Revised Cash Flow Projection is summarized below:

(\$CAD in thousands)

	14 Week Between W/E Jan-28 to W/E Apr-29
	Total
Receipts	
Receipts from Operation	-
Other Receipts	-
Total Receipts	-
Operating Disbursements	
Payroll and Employee Related Costs	(364)
Rent and Property Taxes	-
Taxes and Levies	(175)
Other Operating Expenses	(300)
Capital Expenditures	-
Total Operating Disbursements	(839)
Net Cash from Operations	(839)
Restructuring Disbursements	(1,532)
KERP	(110)
Total Restructuring Disbursements	(1,642)
NET CASH FLOWS	(2,481)
Cash	
Beginning Balance	714
Net Receipts/ (Disbursements)	(2,481)
Advances from Net Proceeds of Sale	1,967
Ending Balance	200

Monitor's Recommendations

70. Based on the information presently available, the Monitor believes that creditors will not be materially prejudiced by the proposed extension of the Stay Period. The proposed extension of the Stay Period is necessary to permit the FIGR Group, if the Distribution & WEPPA Order is granted, to administer the distributions contemplated thereunder, administer WEPPA and move toward finalizing the CCAA Proceedings. The Monitor believes that the Applicants have acted, and continue to act, in good faith and with due diligence and that the circumstances support an extension of the Stay Period.

M. APPROVAL OF THE MONITOR'S FEES AND ACTIVITIES

71. The Monitor and its legal counsel, Cassels, have been paid their fees and disbursements at their standard rates and charges by the Applicants from time to time, in accordance with paragraph 30 of the Amended and Restated Initial Order, as part of the costs of the CCAA Proceedings.

72. Pursuant to previous orders of the Court, the fees and disbursements of the Monitor for periods prior to September 30, 2021 and of Cassels for periods prior to September 29, 2021 were approved.
73. The Monitor and Cassels have maintained records of their professional time and costs. The Monitor now requests approval of its fees and disbursements for the period from October 1, 2021 to January 16, 2022, and the fees and disbursements for Cassels for the period from September 30, 2021 to December 31, 2021.
74. The total fees and disbursements of the Monitor for the period of October 1, 2021 to January 16, 2022 total \$500,342.57, including fees in the amount of \$442,781.00, disbursements in the amount of \$nil, and HST in the amount of \$57,561.57, as more particularly described in the affidavit of Jeffrey Rosenberg sworn January 27, 2022 (the “**Rosenberg Affidavit**”), a copy of which is attached hereto as **Appendix “H”**.
75. The total fees and disbursements of Cassels principally from September 30, 2021 to December 31, 2021 total \$49,779.90, including fees in the amount of \$44,053.00, disbursements in the amount of \$nil, and HST in the amount of \$5,726.90, as more particularly described in the affidavit of Ryan Jacobs sworn January 27, 2022 (the “**Jacobs Affidavit**”, together with the Rosenberg Affidavit, the “**Fee Affidavits**”), a copy of which is attached hereto as **Appendix “I”**.
76. The Monitor respectfully submits that the fees and disbursements of the Monitor and its counsel, as set out in the Fee Affidavits, are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Orders issued in the CCAA Proceedings. Accordingly, the Monitor respectfully requests the approval of the fees and disbursements of the Monitor and its counsel, as set out in the Fee Affidavits.
77. The Monitor is also requesting approval of this Eighth Report and the activities of the Monitor described herein.

N. CONCLUSION

78. For the reasons stated in this Eighth Report, the Monitor supports the relief sought by the FIGR Group in connection with the February 2 Motion. The Monitor respectfully submits to the Court this, its Eighth Report.

Dated this 27th day of January, 2022.

FTI Consulting Canada Inc.
In its capacity as Monitor of
FIGR Brands, Inc. and the other corporations in the FIGR Group



Jeffrey Rosenberg
Senior Managing Director



Jodi Porepa
Managing Director

APPENDIX "A"

[ATTACHED]

Court File No. CV-21-00655373-00CL

**FIGR BRANDS, INC.,
AND RELATED APPLICANTS**

FIFTH REPORT OF FTI CONSULTING CANADA INC., AS MONITOR

JUNE 4, 2021

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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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 FIGR
BRANDS, INC., FIGR NORFOLK INC. AND CANADA'S ISLAND GARDEN INC.

**FIFTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

A. INTRODUCTION

1. On January 21, 2021, FIGR Brands, Inc. ("**FIGR Brands**"), FIGR Norfolk Inc. ("**FIGR Norfolk**") and Canada's Island Garden Inc. ("**CIG**" and together with FIGR Brands and FIGR Norfolk, the "**FIGR Group**" or the "**Applicants**") sought and obtained an initial order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). The proceedings commenced under the CCAA by the FIGR Group are referred to herein as the "**CCAA Proceedings**".
2. The Initial Order, among other things:
 - (a) appointed FTI Consulting Canada Inc. as monitor of the FIGR Group (in such capacity, the "**Monitor**") in the CCAA Proceedings;
 - (b) granted a stay of proceedings against the FIGR Group until January 31, 2021 (the "**Stay Period**");
 - (c) granted the Administration Charge, the Directors' Charge, the DIP Lender's Charge and the Intercompany Charge (each as defined in the Initial Order, and collectively the "**CCAA Charges**"); and

- (d) authorized the FIGR Group to enter into the DIP Facility (as defined in the Pre-Filing Report of the Monitor dated January 21, 2021).
3. On January 29, 2021, at the comeback hearing, the following orders were issued:
- (a) an amended and restated Initial Order (the “**Amended and Restated Initial Order**”) which, among other things:
 - (i) increased the quantum of certain of the CCAA Charges;
 - (ii) elevated the priority ascribed to the CCAA Charges over all secured creditors; and
 - (iii) extended the Stay Period to March 31, 2021.
 - (b) an order (the “**SISP Approval Order**”) approving a sale and investment solicitation process (the “**SISP**”) to solicit interest in potential transactions involving the business and/or assets of the FIGR Group.
4. On February 22, 2021, the following orders were issued:
- (a) an order (the “**Claims Procedure Order**”):
 - (i) approving a claims procedure (the “**Claims Procedure**”) to solicit, identify, determine and adjudicate Claims against the FIGR Group and their present and former Directors and Officers (as such terms are defined in the proposed Claims Procedure Order); and
 - (ii) requiring the Monitor to serve on the Service List (as defined below) and file with the Court a Pre-Filing Intercompany Claims Report setting out the Proposed Pre-Filing Intercompany Claims Resolution Process (as such terms are defined in the proposed Claims Procedure Order).
 - (b) an ancillary order which, among other things:

- (i) approved a key employee retention plan for certain employees of the FIGR Group;
- (ii) extended the Stay Period to April 30, 2021; and
- (iii) approved all filed reports of the Monitor (as of that date), and the activities of the Monitor referred to therein, as well as the fees and disbursements of the Monitor and its counsel.

5. On March 31, 2021, an order was issued which, among other things:

- (i) approved certain amendments to the DIP Facility, including an increase in the amount permitted to be borrowed by the FIGR Group thereunder from \$8,000,000 (plus interest and costs) to \$13,000,000 (plus interest and costs); and
- (ii) approved the Third Report of the Monitor dated March 26, 2021 (the “**Third Report**”), the activities of the Monitor referred to therein, and the fees and disbursements of the Monitor and its counsel.

6. On April 30, 2021, the following orders were issued:

- (a) an order (the “**Employee Claims Procedure Order**”) which, among other things approved a claims procedure (the “**Employee Claims Procedure**”) to identify, determine and adjudicate Employee Claims against the FIGR Group and their present and former Directors and Officers (as such terms are defined in the Employee Claims Procedure Order);
- (b) an order which, among other things:
 - (i) extended the Stay Period to June 30, 2021; and
 - (ii) approved the fourth report of the Monitor dated April 27, 2021 (the “**Fourth Report**”), the activities of the Monitor referred to therein, and the fees and disbursements of the Monitor and its counsel.

7. The purpose of this Fifth Report of the Monitor (the “**Fifth Report**”) is to provide the Court with:

(a) the Monitor’s comments and recommendations, regarding the FIGR Group’s motion returnable June 9, 2021 (the “**June 9 Motion**”) seeking:

(i) an order (the “**CIG Approval and Vesting Order**”) which, among other things:

(A) approves the CIG Subscription and Share Purchase Agreement and the CIG Transaction;

(B) vests the Purchased Shares in the CIG Purchaser, free and clear of any Encumbrances;

(C) vests the Transferred Assets in CIG, free and clear from any Encumbrances, except Permitted Encumbrances;

(D) adds, as an Applicant to the CCAA Proceedings, a newly incorporated wholly owned subsidiary (“**Residual Co.**”) of the CIG Vendor;

(E) vests the Excluded Assets, Excluded Contracts and Excluded Liabilities in Residual Co.; and

(F) declares that CIG ceases to be an Applicant in the CCAA Proceedings,

as described in greater detail below (capitalized terms used in this paragraph and not otherwise defined are defined below);

(ii) an order (the “**Norfolk Approval and Vesting Order**”) which, among other things, approves the Norfolk Transaction and vests the Purchased Assets in the Norfolk Purchaser (as such terms are defined below) free and clear of all claims and encumbrances, as described in greater detail below;

- (iii) an order (the “**Second Ancillary Order**”) which, among other things,
 - (A) extends the Stay Period until September 3, 2021;
 - (B) approves the Second DIP Amendment (as defined below) which, *inter alia*, increases the amount permitted to be borrowed by the FIGR Group thereunder from \$13,000,000 (plus interest and costs) to \$16,000,000 (plus interest and costs);
 - (C) approves an increase to the DIP Lender's Charge (as defined in the Amended and Restated Initial Order) up to a maximum amount of \$16,000,000 (plus interest and costs);
 - (D) authorizes and empowers the FIGR Group with the consent of the Monitor (or the Monitor on behalf of the FIGR Group) to make or cause to be made distributions from available funds or proceeds to the DIP Lender (as defined below) in repayment of the obligations secured by the DIP Lender's Charge;
 - (E) approves the Proposed Pre-Filing Intercompany Claims Resolution Process (as defined in the Claims Procedure Order);
 - (F) seals the confidential exhibits to the June 2 Devon Affidavit (as defined below) and the Confidential Appendix (as defined below) to this Fifth Report; and
 - (G) approves this Fifth Report, the activities of the Monitor referred to herein, and the fees and disbursements of the Monitor and its counsel as set out below;
- (b) information regarding the activities of the Monitor and the FIGR Group since April 27, 2021, the date of the Fourth Report; and
- (c) a summary of the receipts and disbursements of the FIGR Group for the nine-week period ending May 21, 2021.

B. TERMS OF REFERENCE

8. In preparing this Fifth Report, the Monitor has relied upon audited and unaudited financial information of the FIGR Group, the FIGR Group's books and records, certain financial information and forecasts prepared by the FIGR Group, and discussions with various parties, including senior management ("**Management**") of, and advisors to, the FIGR Group (collectively, the "**Information**").
9. Except as otherwise described in this Fifth Report:
 - (a) the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
 - (b) the Monitor has not examined or reviewed the financial forecasts or projections referred to in this Fifth Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
10. Future-oriented financial information reported in, or relied on, in preparing this Fifth Report is based on Management's assumptions regarding future events. Actual results will vary from these forecasts and such variations may be material.
11. The Monitor has prepared this Fifth Report in connection with the June 9 Motion. The Fifth Report should not be relied on for any other purpose.
12. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
13. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the affidavit of Michael Devon, the Chief Financial Officer of FIGR Brands, sworn on June 2, 2021 (the "**June 2 Devon Affidavit**"), filed in support of the June 9 Motion, or the Amended and Restated Initial Order, as applicable.

C. ACTIVITIES OF THE MONITOR

Activities of the Monitor

14. Since the date of the Fourth Report, the Monitor has undertaken the following activities:
- (a) engaged with its legal counsel, Cassels Brock & Blackwell LLP (“**Cassels**”), regarding matters related to the CCAA Proceedings;
 - (b) maintained the service list for these CCAA Proceedings (the “**Service List**”) and posted same on the Monitor’s Website;
 - (c) continued to operate and monitor its telephone hotlines and email account for stakeholder inquiries;
 - (d) engaged in discussions with the FIGR Group, its legal counsel, and its Directors and Management regarding issues related to the FIGR Group’s operations and borrowings under the DIP Facility, including advances under the DIP Facility and disbursements of the FIGR Group;
 - (e) participated in discussions with Pyxus International, Inc. (“**Pyxus**”) and related entities regarding services provided to the FIGR Group and matters related to the DIP Facility, including assisting in the preparation of information for Alliance One Tobacco Canada, Inc. (“**AOTC**”) as the lender under the DIP Facility (in such capacity, the “**DIP Lender**”), Pyxus and the board of directors of Pyxus;
 - (f) assisted the FIGR Group in discussions with suppliers, creditors and employees related to the CCAA Proceedings and responded to requests for information from certain of such parties;
 - (g) engaged with Health Canada regarding the CCAA Proceedings and the FIGR Group’s intention to remain in compliance with its licenses under the *Cannabis Act*, S.C. 2018, c. 16, as amended;
 - (h) supervised and assisted with activities related to the SISF, with FTI Capital Advisors – Canada ULC (“**FTI Capital**”), as described in greater detail below;

- (i) supervised and assisted with activities related to the Claims Procedure including reviewing the Pre-Filing Intercompany Claims and the development of the Proposed Pre-Filing Intercompany Claim Process as described in greater detail below; and
- (j) supervised and assisted with activities related to the Employee Claims Procedure, as described in greater detail below.

D. UPDATE ON THE SISP

- 15. In accordance with the SISP Approval Order, the Monitor, with the assistance of its affiliate, FTI Capital, and with input from the FIGR Group and the DIP Lender, has been conducting the SISP. Capitalized terms used in this section not otherwise defined have the meaning ascribed to them in the SISP Approval Order.
- 16. As set out in the Third Report:
 - (a) the Monitor, with the assistance of the FIGR Group, and in consultation with the DIP Lender, developed a list of known potential bidders and provided them with a summary regarding the opportunity and outlining the process under the SISP and inviting them to participate in the SISP. The Monitor also arranged for publication of the notice of the SISP;
 - (b) interested potential bidders were provided with a confidential information package and access to a data room after executing a non-disclosure agreement;
 - (c) the deadline to submit a non-binding letter of intent (a “**LOI**”) by any interested bidder was 5:00 pm (Eastern Time) on February 26, 2021 (the “**Phase 1 Bid Deadline**”);
 - (d) a number of LOIs were received by the Phase 1 Bid Deadline (the “**Phase 1 Qualified Bidders**”). The Monitor, in consultation with the FIGR Group and the DIP Lender, reviewed the LOIs received from the Phase 1 Qualified Bidders and determined the appropriate parties that would proceed to Phase 2 as Phase 2 Qualified Bidders; and

- (e) the Monitor and the FIGR Group, in consultation with the DIP Lender, determined the process and timing of Phase 2 Bids (the “**Phase 2 Process**”) and sent a letter reflecting the Phase 2 Process to each Phase 2 Qualified Bidder (the “**Bid Process Letter**”). A copy of the Bid Process Letter was attached to the Third Report as Appendix “A”. The Bid Process Letter described the Phase 2 Process as follows: a) all Phase 2 Qualified Bidders that wish to make a formal offer to purchase or make an investment in the FIGR Group, or their property, or business must submit a binding offer (each a “**Phase 2 Bid**”) to the Monitor and the Applicants by no later than 5:00 pm (Eastern Time) on April 1, 2021 (the “**Phase 2 Bid Deadline**”); and b) each Phase 2 Bid must be submitted in conformity with the requirements for a Sale Proposal or Investment Proposal set out in the SISP.
17. As set out in the Fourth Report, a number of Phase 2 Bids were received by the Phase 2 Bid Deadline (the “**Phase 2 Qualified Bidders**”). The Monitor, in consultation with the FIGR Group and the DIP Lender reviewed the Phase 2 Bids and entered into discussions with the Phase 2 Qualified Bidders regarding their potential acquisition proposals in respect of the assets and/or shares of various entities within the FIGR Group.
18. As described in the BID Process Letter and the SISP, the criteria considered by the Monitor and the FIGR Group, in consultation with the DIP Lender, to evaluate the Phase 2 Bids included, among other things:
- (a) the purchase price and the value provided by such bid;
 - (b) the nature of the consideration provided by such bid;
 - (c) the identity, circumstances and ability of the Phase 2 Qualified Bidder to successfully complete such transactions;
 - (d) the proposed transaction agreement;
 - (e) factors affecting speed, certainty and value of the proposed transaction; and
 - (f) the assets or liabilities included or excluded from the proposed transaction.

19. Following an extensive review of the Phase 2 Bids, it was determined that i) the Phase 2 Bid (the “**CIG Successful Bid**”) of 102604 P.E.I. Inc. (the “**CIG Purchaser**”) for certain of the property and business of the FIGR Group related to CIG (the “**CIG Transaction**”) and ii) the Phase 2 Bid (the “**Norfolk Successful Bid**”) of 11897985 Canada Inc. (dba) BEROXFOOD North America (the “**Norfolk Purchaser**”) for the purchase of substantially all of the assets of FIGR Norfolk (in its capacity as vendor, the “**Norfolk Vendor**”) (the “**Norfolk Transaction**”), in each case, provided the highest and best value for the stakeholders of the FIGR Group.¹
20. A summary comparison of the Phase 2 Bids received is attached hereto as Confidential Appendix “A” (the “**Confidential Appendix**”). The Monitor requests that the Confidential Appendix be sealed as it contains sensitive information that may, if disclosed, affect the integrity of the SISF and negatively impact the business of the Applicants and value to be received by stakeholders.
21. Together, the CIG Transaction and the Norfolk Transaction cover substantially all of the assets of the Applicants.

E. APPROVAL OF THE CIG TRANSACTION

22. The FIGR Group and its counsel, in consultation with the Monitor and its counsel and the DIP Lender negotiated and finalized the terms of a proposed subscription and share purchase agreement (the “**CIG Subscription and Share Purchase Agreement**”) with the CIG Purchaser and its counsel. A copy of the redacted CIG Subscription and Share Purchase Agreement is attached to the June 2 Devon Affidavit. A copy of the unredacted CIG Subscription and Share Purchase Agreement is attached as a sealed exhibit to the June 2 Devon Affidavit. Capitalized terms in this section not otherwise defined herein have the meaning ascribed to them in the CIG Subscription and Share Purchase Agreement.

¹ The Monitor’s summaries of the CIG Transaction and Norfolk Transaction below provide an overview of the key terms of each transaction and are not intended to be an exhaustive summary of all the terms and conditions that may be relevant to stakeholders of the FIGR Group. Readers of this Fifth Report are encouraged to read the CIG Subscription and Share Purchase Agreement and APA (as such terms are defined herein) and the FIGR Group’s motion materials seeking an order to approve the transactions contemplated therein and should not rely solely on this Fifth Report for information in connection with the transactions.

23. The CIG Successful Bid has no financing conditions. In addition, the CIG Purchaser paid a deposit to the Monitor following execution of the CIG Subscription and Share Purchase Agreement to be held in accordance with the CIG Subscription and Share Purchase Agreement.
24. The CIG Purchaser group includes a senior member of the management team of the FIGR Group. This individual is familiar with the business, operations and assets of CIG and has established relationships with CIG’s management team and holds the necessary security clearances to maintain the Cannabis Licenses. This individual did not participate in the review or assessment of any bids in the SISP and all appropriate confidentiality measures were taken.
25. Certain key terms of the CIG Subscription and Share Purchase Agreement are summarized in the table below.

Term	Description
Subscription Price	<p>The CIG Purchaser shall subscribe for certain shares in the capital of CIG to be issued by CIG (the “Subscribed Shares”), free and clear of all Encumbrances, in consideration for the Subscription Price, subject to the Working Capital Adjustment (the “Adjusted Subscription Price”). The CIG Purchaser’s obligation to pay the Adjusted Subscription Price for the Subscribed Shares shall be:</p> <p>(a) <i>Cash Consideration:</i> on the Closing Date and in accordance with the Closing Sequence (i) the CIG Purchaser shall pay the Adjusted Subscription Price less the Deposit by wire transfer of immediately available funds, and (ii) the Deposit will be released to CIG; and</p> <p>(b) <i>Working Capital Adjustment:</i> Subject to the Statement of Adjustments to be delivered by the CIG Vendor to the CIG Purchaser two (2) Business Days prior to the Closing Date, the Subscription Price shall be increased or reduced by an amount equal to</p> <p style="padding-left: 40px;">(i) the aggregate amounts owing by CIG to its trade vendors for goods and services provided from and after the date of the commencement of the CCAA Proceedings but not yet paid as of the Closing Date, as set out in the Statement of Trade Payables plus</p> <p style="padding-left: 40px;">(ii) subject to the terms of the CIG Subscription and Share Purchase Agreement, the amount by which, if any, the actual costs and expenses incurred by CIG, or disbursements made by CIG,</p>

Term	Description
	<p>during the Interim Period and prior to the Post-Target Period are less than the Total Operating Costs (as set out in the Purchased Entity Disbursement Budget), minus</p> <p>(iii) subject to the terms of the CIG Subscription and Share Purchase Agreement, the amount by which, if any, of the costs and expenses incurred by CIG, or disbursements made by CIG, during the Interim Period and prior to the Post-Target Period that are in excess of the Total Operating Costs, minus</p> <p>(iv) any Post-Target Cash Deficiency.</p>
Purchased Shares	<p>The CIG Purchaser shall acquire all of the issued and outstanding shares in the capital of CIG owned by FIGR Brands, Inc. (the “CIG Vendor”) (the “Purchased Shares”), free and clear of all Encumbrances, in consideration for the Share Purchase Price.</p>
Deposit	<p>The CIG Purchaser paid a Deposit equal to 10% of the Subscription Price, upon execution of the CIG Subscription and Share Purchase Agreement.</p> <p>If the Closing does not occur on or prior to the Target Closing Date, except in limited circumstances, the Deposit paid by the CIG Purchaser shall increase by the amount of any Post-Target Period Payments, which, in any applicable week, shall not exceed \$500,000. Each Post-Target Period Payment is required to be paid, at certain times each week after the Target Closing Date and prior to the Closing Date, in the amount required for CIG to fund forecast costs and expenses to be incurred or disbursed in the following week, net of forecast receipts for such following week.</p> <p>Subject to certain exceptions as outlined in the CIG Subscription and Share Purchase Agreement, the Deposit is refundable if the CIG Transaction is not completed.</p>
Closing Date	<p>The Target Closing Date is June 25, 2021.</p> <p>The Outside Date is July 31, 2021.</p> <p>In each case, the CIG Vendor (with the consent of the Monitor and DIP Lender) and the CIG Purchaser may agree to another date.</p>
Retained Assets	<p>On the Closing Date, CIG shall retain all of the assets owned by it on the date of the CIG Subscription and Share Purchase Agreement and any assets acquired by it up to and including Closing, including its Contracts, Permits and Licences and Books and Records, except for inventory sold in the ordinary course of business in the Interim Period and the Excluded Assets, if any, Excluded Contracts and Excluded Liabilities.</p>

Term	Description
Transferred Assets	<p>On the Closing Date, CIG shall acquire certain assets of the CIG Vendor, including all of the intellectual property of the CIG Vendor, all national account selling agreements, certain supply and related agreements and all physical assets located in Toronto as of the date of the CIG Subscription and Share Purchase Agreement, in consideration for an interest free promissory note issued by the CIG Purchaser in favour of the CIG Vendor in the amount of \$1,252,515.14 (the “Transferred Asset Purchase Price”).</p>
Excluded Liabilities	<p>On the Closing Date, CIG shall assign and transfer the Excluded Liabilities to Residual Co., a corporation to be incorporated as a wholly owned subsidiary of the CIG Vendor prior to closing the CIG Transaction, which is proposed to become an applicant in the CCAA Proceedings, and Residual Co. shall assume the Excluded Liabilities in consideration for an interest free promissory note issued by CIG to Residual Co. in an amount equal to the Adjusted Subscription Price minus the Transferred Asset Purchase Price in consideration for Residual Co. assuming the Excluded Liabilities (the “Excluded Liability Promissory Note”).</p> <p>The Excluded Liabilities include, among other things, all Liabilities of or against CIG relating to any Excluded Assets or Excluded Contracts as at the Closing Time, other than Assumed Liabilities, including without limitation: (i) Professional Costs; (ii) any amounts owing under the DIP Facility; and (iii) any intercompany debt.</p> <p>All claims in respect of the Excluded Liabilities, if any, will continue to exist against Residual Co. and neither the CIG Purchaser nor CIG shall have any Liability for any of the Excluded Liabilities and all of the Excluded Liabilities shall be Discharged from CIG and its assets, undertaking, business and properties as at and from and after the Closing Time, pursuant to the CIG Approval and Vesting Order.</p>
Excluded Assets and Excluded Contracts	<p>On the Closing Date, CIG shall transfer the Excluded Assets, if any, and Excluded Contracts to Residual Co., and same shall be vested in Residual Co. pursuant to the CIG Approval and Vesting Order, in consideration for the Excluded Liability Promissory Note.</p> <p>The list of Excluded Assets, if any, may be delivered by the CIG Purchaser no later than ten (10) Business Days before the Target Closing Date.</p> <p>The Excluded Contracts include, among other things, certain services agreements and an office space lease. The CIG Purchaser shall deliver no later than 20 days before the Target Closing Date a list of contracts for CIG to disclaim.</p>
Assumed Liabilities	<p>Until the Closing Date and/or after Closing, as the case may be, CIG shall continue to have Liability for the Assumed Liabilities, which include, among other things: (i) all trade payables and liabilities incurred in the normal course of operations from the date of the Initial Order that remain outstanding as at the Closing Date, (ii) certain Liabilities which relate to the Business arising out of events or circumstances occurring after Closing, (iii) Liabilities of CIG to be</p>

Term	Description
	<p>performed after Closing (iv) the Transferred Asset Promissory Note and (v) Excluded Liability Promissory Note, which, in the case of (iv) and (v) above, shall be paid from the proceeds of the Adjusted Subscription Price on the Closing Date. The list of Assumed Liabilities may be amended by the CIG Purchaser no later than ten (10) Business Days before the Target Closing Date, provided that such amended list shall in any event include those Liabilities listed under the Statement of Trade Payables.</p> <p>The Liabilities listed in Schedule G include all trade payables and liabilities incurred in the normal course of operations from the date of the Initial Order that remain outstanding as at the Closing Date (as such trade payables and liabilities are set out in the Statement of Trade Payables).</p>
Employees	<p>The CIG Purchaser shall send to the CIG Vendor and CIG a list of individuals employed by CIG whose employment will be terminated prior to Closing (such individuals, the “Terminated Employees”) no later than ten (10) Business Days before the Target Closing Date.</p> <p>Prior to Closing, CIG shall have terminated the employment of the Terminated Employees and all Liabilities owing to any such terminated employees in respect of such terminations shall be Excluded Liabilities or shall be Discharged by the CIG Approval and Vesting Order.</p>
Closing Conditions	<p>The closing of the Transaction is conditional upon certain conditions, including:</p> <ul style="list-style-type: none"> (a) <u>Court Approval</u>. (i) the CIG Approval and Vesting Order shall have been issued by the Court; (ii) the CIG Approval and Vesting Order shall not have been vacated, set aside or stayed; (iii) the applicable appeal periods to appeal the CIG Approval and Vesting Order have expired; provided that if the CIG Approval and Vesting Order shall not have been subject to any unresolved material objections at the hearing at which it was approved by the Court, the applicable appeal periods need not have expired, but no appeal or leave for appeal shall have been filed, and (iv) at least two (2) clear Business Days have elapsed since the CIG Approval and Vesting Order was issued by the Court; (b) <u>No Material Adverse Effect</u>. During the Interim Period, there shall have been no Material Adverse Effect. (c) <u>No Breach of Representations and Warranties</u>. Each of the representations and warranties shall be true and correct in all materials respects as of the date made (including CIG’s representation and warranty that the Cannabis Licenses are in full force and effect), except, in the case of the CIG Vendor and CIG, as may be affected by the occurrence of events specifically contemplated in the CIG Subscription and Share Purchase Agreement; (d) <u>CIG Employees</u>. CIG shall have terminated the employment of the Terminated Employees, as requested by the CIG Purchaser in its sole

Term	Description
	<p>discretion, and all Liabilities owing to any such terminated employees in respect of such terminations, including all amounts owing on account of statutory notice, termination payments, severance, vacation pay, benefits, bonuses or other compensation or entitlements, all of which Liabilities shall be Excluded Liabilities or shall be Discharged by the CIG Approval and Vesting Order;</p> <p>(e) <u>CCAA Proceedings</u>. Upon Closing, the CCAA Proceedings will have been terminated in respect of CIG, its business and property, as set out in the CIG Approval and Vesting Order.</p> <p>(f) <u>Disclaim Contracts</u>. CIG shall have sent notices of disclaimer for such contracts and other agreements as the CIG Purchaser may require, as listed in a list of contracts to disclaim as sent by the CIG Purchaser to the CIG Vendor and which shall be delivered by the CIG Purchaser no later than 20 days before the Target Closing Date.</p> <p>(g) <u>Cannabis Licenses</u>. The Cannabis Licenses shall be valid and in good standing at the Closing Time with no adverse conditions or restrictions, except for routine conditions or restrictions that do not result in a finding of non-compliance or suspension.</p> <p>(h) <u>Current Asset Value</u>. The aggregate value of the Current Assets of the Purchased Entity, as disclosed on the Closing Balance Sheet, shall not be less than an amount equal to (i) a threshold price minus (ii) any amount by which the actual expenses and disbursements of the Purchased Entity during the Interim Period are less than the Total Operating Costs.</p> <p>(i) <u>FIGR Norfolk IP License</u>. The CIG Vendor shall have delivered an agreement executed by FIGR Norfolk terminating its ability to use any of the intellectual property that forms part of the Transferred Assets as a business name 180 days after Closing.</p> <p>(j) <u>The Transition Services MOU</u>. The Transition Services MOU shall have been fully executed by all parties and delivered to the CIG Purchaser.</p>
Termination	<p>The CIG Subscription and Share Purchase Agreement may be terminated on or prior to the Closing Date as follows:</p> <p>(a) by the mutual agreement of the CIG Vendor, CIG and the CIG Purchaser;</p> <p>(b) by the CIG Purchaser or by the CIG Vendor and CIG (with consent of the Monitor) at any time following the Outside Date, provided the reason for Closing not having occurred is not due to any act or omission or breach of the CIG Subscription and Share Purchase Agreement by the Party proposing the termination;</p>

Term	Description
	<p>(c) by the CIG Purchaser or by the CIG Vendor and CIG (with consent of the Monitor) on notice to the other Parties if: (i) the CIG Approval and Vesting Order has not been obtained by the Closing Date; or (ii) the Court declines at any time to grant the CIG Approval and Vesting Order; in each case for reasons other than a breach of the CIG Subscription and Share Purchase Agreement by the Party proposing to terminate;</p> <p>(d) by the CIG Vendor, if there has been a material violation or breach by the CIG Purchaser or by CIG (only where CIG's actions or omissions were Caused by Smith), of the CIG Subscription and Share Purchase Agreement, which would prevent the satisfaction of, or compliance with, any of the conditions to closing in favour of the CIG Vendor by the Outside Date and such violation or breach has not been waived by the CIG Vendor or cured by the CIG Purchaser or CIG within five (5) Business Days of the CIG Vendor providing notice of such breach, unless the CIG Vendor is in material breach of its obligations under the CIG Subscription and Share Purchase Agreement at such time; or</p> <p>(e) by the CIG Purchaser, if there has been a material violation or breach by the CIG Vendor or CIG (unless CIG's actions or omissions were Caused by Smith) of the CIG Subscription and Share Purchase Agreement, which would prevent the satisfaction of, or compliance with, any of the conditions to closing in favour of the CIG Purchaser by the Outside Date and such violation or breach has not been waived by the CIG Vendor or cured by the CIG Purchaser or CIG within five (5) Business Days of the CIG Purchaser providing notice of such breach, unless the CIG Purchaser is in material breach of its obligations under the CIG Subscription and Share Purchase Agreement at such time.</p> <p>Prior to the CIG Vendor and CIG agreeing to or electing to any termination of the CIG Subscription and Share Purchase Agreement, the CIG Vendor shall first obtain the consent of the Monitor and DIP Lender.</p> <p>In the event the CIG Subscription and Share Purchase Agreement is terminated pursuant to (d) above (by the CIG Vendor, where there has been a material violation or breach by the CIG Purchaser or by CIG (where CIG's actions or omissions were Caused by Smith)), the Deposit shall be transferred to the CIG Vendor as liquidated damages (and not as a penalty) to compensate the CIG Vendor for the expenses incurred and opportunities lost as a result of the failure to close the transactions under the CIG Subscription and Share Purchase Agreement.</p>

27. The CIG Subscription and Share Purchase Agreement contemplates that the Closing shall take place in the following sequence:

- (a) First, the CIG Purchaser shall pay the Share Purchase Price and the Cash Payment to be held in escrow by the Monitor (on behalf of the CIG Vendor and CIG) to be released in accordance with the steps below;
- (b) Second, CIG shall purchase the Transferred Assets from the CIG Vendor and CIG shall issue the Transferred Asset Promissory Note to the CIG Vendor in consideration for same;
- (c) Third, the CIG Vendor shall cause Residual Co. to assume the Excluded Liabilities and Excluded Assets, if any, and CIG shall issue the Excluded Liability Promissory Note to Residual Co. in consideration for same;
- (d) Fourth, the CIG Purchaser shall acquire the Purchased Shares and the Share Purchase Price will be released from escrow by the Monitor for the benefit of the CIG Vendor, but shall continue to be held by the Monitor on the CIG Vendor's behalf;
- (e) Fifth, CIG shall issue, and the CIG Purchaser shall purchase, the Subscribed Shares, and the Adjusted Subscription Price shall be released from escrow for the benefit of CIG, but shall continue to be held by the Monitor on CIG's behalf;
- (f) Sixth, CIG shall satisfy the amount owing under the Excluded Liability Promissory Note using the required portion of the proceeds of the Adjusted Subscription Price, although the Monitor shall continue to hold such amount on behalf of Residual Co.; and
- (g) Seventh, CIG shall satisfy the amount owing under the Transferred Asset Promissory Note using the remaining proceeds of the Adjusted Subscription Price, although the Monitor shall continue to hold such amount on behalf of the CIG Vendor.

Proceeds

28. Pursuant to the terms of the CIG Subscription and Share Purchase Agreement and in accordance with the CIG Approval and Vesting Order, certain payments will be made

from the proceeds of Closing to pay the debt claims against CIG of BioAcuity Consulting in the amount of \$137,230, Fitzgerald & Snow (2010) Ltd. in the amount of \$81,627 and Hansen Electric Ltd. in the amount of \$159,517.32. The CIG Purchaser advised that it requires these claims to be paid in full from the Proceeds as the CIG Purchaser is of the view that these vendors provide essential services to CIG and as such payment is necessary to ensure their continued provision of services to CIG following Closing.

29. The Share Purchase Price and the remaining portion of the Adjusted Subscription Price will be held by the Monitor for the benefit of the CIG Vendor, subject to further order of the Court.
30. The net proceeds from the sale of the Purchased Shares and the proceeds of the Transferred Asset Promissory Note shall be allocated to the CIG Vendor, and the net proceeds from the issuance of the Subscribed Shares shall be allocated to Residual Co. In each case, all claims and encumbrances shall attach to the proceeds of same with the same priority as they had with respect to the Purchased Shares, the Transferred Assets and the Purchased Entity Property (as defined in the CIG Approval and Vesting Order) immediately prior to the sale, subject to the terms of the CIG Approval and Vesting Order.

Monitor's Recommendations

31. In light of the above, the Monitor's view is that the CIG Subscription and Share Purchase Agreement and the transactions contemplated therein represent the highest and best possible outcome for the FIGR Group's stakeholders. The Monitor recommends that the Court approve the CIG Subscription and Share Purchase Agreement and the transactions contemplated thereby for the following reasons:
 - (a) the CIG Subscription and Share Purchase Agreement is the product of a broad, transparent and fair Court-approved SISP and will result in the most favourable combination of cash consideration and certainty to close a transaction in respect of certain of the property and business of the FIGR Group related to CIG as compared to any other Phase 2 Bid;

- (b) the CIG Purchaser is led by a member of the CIG management team who is experienced with the business and has strong relationships with other members of the management team, the customers and suppliers of CIG;
- (c) the individual leading the CIG Purchaser holds necessary security clearances to maintain the Cannabis Licenses and is currently designated by CIG as the “responsible person” in respect of the Cannabis Licenses;
- (d) it is expected that the majority of employees of CIG will remain employed by CIG;
- (e) the consideration paid for the Transferred Assets is reasonable as it is composed of the value of the intellectual property transferred and an estimated nominal amount agreed upon for the value of the tangible assets transferred. Specifically, the Transferred Asset Purchase Price is fair and reasonable, considering that the intellectual property constitutes the vast majority of the Transferred Assets, it was only developed in the past year and its value is representative of book value;
- (f) the CIG Subscription and Share Purchase Agreement is not conditional upon financing or any specific treatment of the Minority Shareholders;
- (g) the FIGR Group’s entrance into the CIG Subscription and Share Purchase Agreement is supported by Pyxus and the DIP Lender;
- (h) the CIG Transaction is expected to close prior to the Outside Date of July 31, 2021;
- (i) the CIG Subscription and Share Purchase Agreement is the best offer received through the SISP and offers a greater recovery than any other Phase 2 Bid;
- (j) the economic effect of the subscription and share purchase pursuant to the CIG Transaction combined with a reverse vesting order is consistent with the intended effect of an asset sale with a conventional vesting order;

- (k) the reverse vesting order structure is appropriate because the CIG Purchaser would not proceed with the transaction by way of an asset purchase agreement due to the regulatory challenges, delays and uncertainty associated with the requirement in an asset sale transaction to obtain new cannabis licenses; and
 - (l) the reverse vesting order structure is beneficial in the circumstances because it: (i) allows the CIG Transaction to close in a shorter time period compared to an asset sale (because of the requirement to apply for and obtain new cannabis licenses); and (ii) reduces the regulatory uncertainty, and thereby closing risk, associated with new cannabis licenses, which (i) and (ii) combine to reduce the uncertainty for the business and employees of CIG, lower professional costs and facilitate a more efficient administration of the CCAA Proceedings; and
 - (m) in the Monitor's view, no stakeholders will be prejudiced by the reverse vesting order structure, and for the reasons set out above, the structure is less detrimental for all parties than a conventional asset sale with a vesting order.
32. The Monitor is also of the view that it is appropriate in the circumstances to allow the unredacted CIG Subscription and Share Purchase Agreement to be sealed, since it contains financial terms of the CIG Transaction which are commercially sensitive. Disclosure of the unredacted CIG Subscription and Share Purchase Agreement could have an adverse impact on the CIG Purchaser's business. The Monitor does not believe any person would be prejudiced by the sealing of the unredacted CIG Subscription and Share Purchase Agreement.

F. APPROVAL OF THE NORFOLK TRANSACTION

33. The FIGR Group and its counsel, in consultation with the Monitor and its counsel and the DIP Lender negotiated and finalized the terms of a proposed asset purchase agreement (the "**Norfolk Sale Agreement**") with the Norfolk Purchaser and its counsel. A copy of the redacted Norfolk Sale Agreement is attached to the June 2 Devon Affidavit. A copy of the unredacted Norfolk Sale Agreement is attached as a sealed exhibit to the June 2 Devon Affidavit. Capitalized terms in this section not otherwise defined herein have the meaning ascribed to them in the Norfolk Sale Agreement.

34. The Norfolk Successful Bid has no financing conditions. In addition, the Norfolk Purchaser paid a deposit to the Monitor in trust upon execution of the Norfolk Sale Agreement.

35. Certain key terms of the Norfolk Sale Agreement are summarized in the table below.

Term	Description
Purchased Assets	<p>The Norfolk Purchaser shall purchase all of the Norfolk Vendor's right, title and interest in, to and under the Purchased Assets, excluding any Non-Assignable Interests, including without limitation any Consent Required Contracts and licenses for which an Assignment Order or counterparty consent has not been obtained or which by their nature are not assignable, and free and clear of all Encumbrances (other than Permitted Encumbrances) pursuant to the Norfolk Approval and Vesting Order.</p> <p>The Purchased Assets are substantially all of the assets held by the Norfolk Vendor.</p>
Deposit	The Norfolk Purchaser has paid a Deposit equal to 10% of the Purchase Price, upon execution of the Norfolk Sale Agreement.
Purchase Price	The Purchase Price shall be satisfied by payment in immediately available funds of the Deposit and an amount equal to the Purchase Price, less the Deposit, to be paid on the Closing Date.
Outside Date	June 30, 2021 or such later date as the Norfolk Vendor (with the consent of the Monitor and the DIP Lender) may designate, in its sole discretion, on not less than five (5) Business Days' notice to the Norfolk Purchaser, or in any event as otherwise ordered by the Court.
Excluded Assets	All of the Norfolk Vendor's right, title and interest, in and to those assets that are not Purchased Assets, including all Cannabis Licenses.

Assumed Obligations	<p>The Norfolk Purchaser shall assume and shall perform, discharge and pay when due, as the case may be, the following obligations and liabilities of the Norfolk Vendor (the “Assumed Obligations”):</p> <ul style="list-style-type: none"> a) all debts, liabilities, obligations under the Contracts (to the extent assigned or transferred to the Norfolk Purchaser on Closing) for the period from and after the Closing Time; b) the obligation and liability of the Norfolk Vendor to pay Cure Costs in respect of any Consent Required Contract; c) all debts, liabilities and obligations arising from and after the Closing Date with respect to Transferred Employees; d) all debts, liabilities and obligations arising from ownership and use of the Purchased Assets for the period from and after the Closing Time; and e) any other liability which the Norfolk Purchaser agrees in writing to assume on or before the Closing Date.
Excluded Obligations	<p>Other than the Assumed Obligations, the Norfolk Purchaser shall not assume and shall not be liable, directly or indirectly, or otherwise responsible for any debts, liabilities or other obligations of the Norfolk Vendor (collectively, the “Excluded Obligations”), including, without limiting the generality of the foregoing:</p> <ul style="list-style-type: none"> a) Claims related to any Excluded Asset; b) subject to certain exceptions, all debts, liabilities and obligations related to any Purchased Asset or the business of the Norfolk Vendor arising out of or related to the period prior to the Closing Time; c) all taxes imposed on or relating to the Purchased Assets that are attributable to any pre- Closing tax period whether or not any such period ends on or before the Closing Date (other than any Transfer Taxes payable by the Norfolk Purchaser under the Norfolk Sale Agreement); and d) all debts, liabilities and obligations of the Norfolk Vendor arising under the Norfolk Sale Agreement.

Employees	<p>At least five (5) days in advance of the Closing Date, the Norfolk Purchaser shall make a written offer of employment, which will be conditional upon Closing, to certain specified Employees. The Norfolk Purchaser may provide to the Norfolk Vendor the names of additional Employees to whom the Norfolk Purchaser shall make a written offer of employment up to five (5) days in advance of the Closing Date.</p> <p>Immediately following the Closing, the Norfolk Purchaser shall provide each Transferred Employee with terms and conditions of employment that are substantially the same in all material respects as the terms and conditions of employment provided by the Norfolk Vendor immediately prior to the Closing.</p>
Conditions to Closing	<p>The closing of the Norfolk Transaction is conditional upon the following notable conditions:</p> <ul style="list-style-type: none"> a) all representations and warranties of the Norfolk Vendor and the Norfolk Purchaser contained in the Norfolk Sale Agreement shall be true in all material respects as of the Closing Time with the same effect as though made on and as of that time; b) the Norfolk Vendor shall maintain the Cannabis Licences up to the date of Closing and shall use commercially reasonable efforts to cooperate with the Norfolk Purchaser or the Purchaser Cannabis Licensees in the process of obtaining the Purchaser Cannabis Licences from Health Canada; c) the Norfolk Approval and Vesting Order shall have been obtained and shall not have been reversed, stayed, varied, or vacated; and d) the Norfolk Purchaser shall have obtained the Purchaser Cannabis Licenses.

Termination	<p>The Norfolk Sale Agreement may be terminated at any time prior the Closing Time as follows:</p> <ul style="list-style-type: none"> a) by mutual written agreement of the Norfolk Vendor (with the consent of the Monitor) and the Norfolk Purchaser; b) by the Norfolk Vendor (with the consent of the Monitor) or the Norfolk Purchaser should Closing not have occurred or not prior to 11:59 pm Eastern Time on the Outside Date; c) by the Norfolk Vendor if there has been a material violation or breach by the Norfolk Purchaser of the Norfolk Sale Agreement which would prevent the satisfaction of, or compliance with, any condition in favour of the Norfolk Vendor, by the Outside Date or, if any event has occurred as a result of which the conditions in favour of the Norfolk Vendor or the Norfolk Purchaser are not capable of being satisfied by the Outside Date, and such violation or breach has not been waived by the Norfolk Vendor or cured within five (5) Business Days of the Norfolk Vendor providing written notice to the Norfolk Purchaser of such breach, unless the Norfolk Vendor is in material breach of its obligations; or d) by the Norfolk Purchaser, if there has been a material violation or breach by the Norfolk Vendor of the Norfolk Sale Agreement which would prevent the satisfaction of, or compliance with, any condition in favour of the Norfolk Purchaser, by the Outside Date and such violation or breach has not been waived by the Norfolk Purchaser or cured within five Business Days of the Norfolk Purchaser providing written notice to the Norfolk Vendor of such breach, unless the Norfolk Purchaser is in material breach of its obligations. <p>Prior to the Norfolk Vendor agreeing to or electing to any termination, the Norfolk Vendor shall first obtain the written consent of the Monitor and the DIP Lender.</p>
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Proceeds

37. The Purchase Price will be held by the Monitor for the benefit of the CIG Vendor, subject to further order of the Court.

Monitor's Recommendations

38. In light of the above, the Monitor's view is that the Norfolk Sale Agreement and the transactions contemplated therein represent the highest and best possible outcome for the

FIGR Group's stakeholders. The Monitor recommends that the Court approve the Norfolk Sale Agreement for the following reasons:

- (a) the Norfolk Sale Agreement is the product of a broad, transparent and fair Court-approved SISP;
- (b) the Norfolk Sale Agreement is the best offer received through the SISP and offers a greater recovery than any other Phase 2 Bid for the Norfolk Purchased Assets;
- (c) it is expected that many of the Norfolk Vendor's employees will be offered employment by the Norfolk Purchaser and the Norfolk Purchaser intends to operate the business of the Norfolk Vendor as a going concern upon Closing; and
- (d) the FIGR Group, the DIP Lender and the Monitor are supportive of the Norfolk Sale Agreement.

39. The Monitor is also of the view that it is appropriate in the circumstances to allow the unredacted Norfolk Sale Agreement to be sealed, since it contains financial terms of the Norfolk Transaction which are commercially sensitive. Disclosure of the unredacted Norfolk Sale Agreement could have an adverse impact on the Norfolk Purchaser's business. The Monitor does believe any person would be prejudiced by the sealing of the unredacted Norfolk Sale Agreement.

G. UPDATE ON THE EMPLOYEE CLAIMS PROCEDURE

40. The Employee Claims Procedure is being carried out in accordance with the Employee Claims Procedure Order. Capitalized terms used in this section but not defined have the meanings ascribed to them in the Employee Claims Procedure Order.

41. The Monitor sent Employee Claims Packages to former Employees within ten (10) Business Days of their employment being terminated if their employment was terminated following the date the Employee Claims Procedure Order was granted, or their temporary layoff ceasing to be temporary under the *Employment Standards Act, 2000*, S.O. 2000, c. 41, as amended (or similar applicable provincial statute), if this occurs following the date the Employee Claims Procedure Order is granted.

42. The Monitor continues to carry out the Employee Claims Procedure and will provide additional updates in due course.

H. UPDATE ON THE CLAIMS PROCEDURE

43. The Claims Procedure is being carried out in accordance with the Claims Procedure Order. Capitalized terms used in this section not otherwise defined have the meaning ascribed to them in the Claims Procedure Order.

44. A summary of the Claims filed by the Claims Bar Date of April 6, 2021 was provided in the Fourth Report.

45. Two (2) claimants filed claims after the Claims Bar Date (the “**Late Claims**”). The Late Claims filed April 7, 2021 totalled \$434,781.32 and the Late Claim filed May 18, 2021 totalled \$2,347.73.

46. The Monitor is of the view that not disallowing the Late Claims simply because they were submitted following the Claims Bar Date will not prejudice any of the creditors of the FIGR Group and as such the Monitor does not intend to disallow the Late Claims for that reason.

47. The Monitor continues to review, determine and adjudicate certain outstanding secured and unsecured Claims filed in accordance with the Claims Procedure Order. A number of the Claims were filed without sufficient information or supporting evidence. After reviewing such Claims the Monitor identified missing information and is in the process of following up with a number of these Claimants to request the information required. The Monitor has reviewed, and continues to review, the additional information and evidence when provided.

I. PROPOSED PRE-FILING INTERCOMPANY CLAIMS RESOLUTION PROCESS

48. As of the Pre-Filing Intercompany Claims Bar Date, the Monitor received 5 Pre-Filing Intercompany Claims in the aggregate amount of \$355,234,872.66.

49. For each entity of the FIGR Group, the Monitor identified and summarized the net intercompany payable/receivable balances from the procedures outlined in paragraph 51 below. The receivable balances represent the Pre-Filing Intercompany Claims against the FIGR Group entities and have been summarized in the below table:

Claims (\$ millions)	FIGR Brands, Inc.	FIGR Norfolk Inc.	Canada's Island Garden Inc.	Total
FIGR Brands, Inc.	\$ -	\$ 47.9	\$ 104.2	\$ 152.2
FIGR Norfolk Inc.	\$ -	\$ -	\$ 9.0	\$ 9.0
Canada's Island Garden Inc.	\$ -	\$ 0.0	\$ -	\$ 0.0
AOTC	\$ 194.0	\$ -	\$ -	\$ 194.0
Total	\$ 194.0	\$ 48.0	\$ 113.2	\$ 355.2

50. The Pre-Filing Intercompany Claims consist of the following claims:

- (a) against FIGR Brands by AOTC in the amount of \$194,040,548.19 and relating primarily to pre-filing debt;
- (b) against FIGR Norfolk by FIGR Brands in the amount of \$47,922,455.86 and relating primarily to pre-filing debt;
- (c) against FIGR Norfolk by CIG in the amount of \$36,536.34 and relating primarily to logistics and shipping-related costs;
- (d) against CIG by FIGR Brands in the amount of \$104,237,489.78 and relating primarily to pre-filing debt; and
- (e) against CIG by FIGR Norfolk in the amount of \$8,997,842.50 and relating primarily to inventory sales.

51. The steps the Monitor has taken to determine the validity and quantum of the Pre-Filing Intercompany Claims are as follows:

- (a) the Monitor reviewed supporting schedules provided with each claim relating to historical transfers and calculations between entities of the FIGR Group, as well as supporting invoices and/or bank records on a sample basis, where applicable;

- (b) the Monitor prepared a summary of receipts, disbursements and calculated interest by counterparty for the FIGR Group and from this analysis, was able to confirm total intercompany transactions by debtor entity; and
 - (c) the Monitor also identified and accounted for any intercompany transactions that were not in the form of direct transfers from one entity in the FIGR Group to another. These would have arisen as a result of payments by one entity of the FIGR Group to a third party on behalf of a different entity in the FIGR Group. In these instances, the Monitor reviewed the supporting documentation provided and compared the same to the FIGR Group's records.
52. The determination of Pre-Filing Intercompany Claims by the Monitor and the filing of a Pre-Filing Intercompany Claims Report is contemplated by paragraph 41 of the Claims Procedure Order which provides that, inter alia, any interested party has seven (7) days from the date the Monitor serves the Pre-Filing Intercompany Claims Report to file a notice of objection to the Monitor's Proposed Pre-Filing Intercompany Resolution Process, failing which the Proposed Pre-Filing Intercompany Claims Resolution Process shall be implemented without the need of a further Court order. Given the timing of the June 9 Motion, the Applicants are seeking approval of the Proposed Pre-Filing Intercompany Claims Resolution Process in connection with the Second Ancillary Order.
53. As contemplated in the Claims Procedure Order, the Monitor is required to serve on the Service List and file with the Court a Pre-Filing Intercompany Claims Report setting out the Proposed Pre-Filing Intercompany Claims Resolution Process (as each term is defined in the Claims Procedure Order). A determination of the validity and quantum of the Pre-Filing Intercompany Claims is required before any distribution can be made to stakeholders of the FIGR Group. The Monitor is of the view that it is necessary to commence the Proposed Pre-Filing Intercompany Claims Resolution Process at this time in order to advance the CCAA Proceedings.
54. The Proposed Pre-Filing Intercompany Claims Resolution Process is as follows:

- (a) the Monitor has detailed and summarized the Pre-Filing Intercompany Claims in this Fifth Report;
- (b) any Person that wishes to object to the validity or quantum of any of the Pre-Filing Intercompany Claims as set out in this Fifth Report must serve an objection (each, a “**Pre-Filing Intercompany Claims Objection**”) by no later than 5:00 p.m. (Toronto time) on the date that is thirty (30) days after the Monitor serves the Pre-Filing Intercompany Claims Notice (as defined below) (the “**Pre-Filing Intercompany Claims Objection Date**”);
- (c) the Monitor will provide a notice of the Pre-Filing Intercompany Claims set out in this Fifth Report (the “**Pre-Filing Intercompany Claims Notice**”) by email to the Service List as well as to each Claimant that has submitted a Proof of Claim or Employee Claimant who has received an Employee Claim Statement, by email to the email address indicated on such Proof of Claim or Employee Claim Statement. The Pre-Filing Intercompany Claims Notice will: (i) provide an electronic link to the Fifth Report and indicate that the Monitor’s review and summary of the Pre-Filing Intercompany Claims is set out therein; (ii) provide an electronic link to the Second Ancillary Order; and (iii) reference the Pre-Filing Intercompany Claims Objection Date;
- (d) Pre-Filing Intercompany Claims Objections must be in writing, must particularize the grounds for objection and be provided to the Monitor, with a copy to the Service List, on or before the Pre-Filing Intercompany Claims Objection Date. A copy of the Service List is available on the Monitor’s Website;
- (e) the Monitor will work with Persons, if any, who filed a Pre-Filing Intercompany Claims Objection to resolve or settle any Pre-Filing Intercompany Claims Objection;
- (f) in the event that a Pre-Filing Intercompany Claims Objection cannot be resolved, the Monitor may seek a scheduling appointment before the Court, on notice to the Service List, to seek a schedule for the hearing of a motion to determine the

validity and quantum of one or more of the Pre-Filing Intercompany Claims. Prior to such motion, the Monitor shall prepare a further report summarizing: all Pre-Filing Intercompany Claims Objections received and the Monitor's view and recommendation to the Court with respect to the Pre-Filing Intercompany Claims Objections; and

- (g) in the event that no Person serves a Pre-Filing Intercompany Claims Objection by the Pre-Filing Intercompany Claims Objection Date, the Monitor shall advise the Service List in writing that no Pre-Filing Intercompany Claims Objections were received, and that the Pre-Filing Intercompany Claims as set out in the Fifth Report are deemed to be accepted as valid claims without further order of the Court.

Monitor's Recommendations

- 55. The Monitor is of the view that the Proposed Pre-Filing Intercompany Claims Process is fair and provides interested stakeholders with the time necessary to review the Pre-Filing Intercompany Claims and, if they wish to, object to the Pre-Filing Intercompany Claims. It also provides time to work with any stakeholders that serve a Pre-Filing Intercompany Claims Objection and to attempt to resolve any Pre-Filing Intercompany Claims Objections. Accordingly, the Monitor recommends that this Court approve the Proposed Pre-Filing Intercompany Claims Process.

J. RECEIPTS AND DISBURSEMENTS

- 56. The FIGR Group's actual negative net cash flow from operations on a consolidated basis for the nine-week period ending May 21, 2021 was approximately \$4.3 million, compared to a forecast negative cash flow from operations of approximately \$5.7 million as noted in the Cash Flow Projection filed as Appendix "A" to the Fourth Report, representing a positive variance of approximately \$1.4 million as summarized below.

(\$CAD in thousands)	9 Week Cumulative to 21-May-21			
	Actual	Forecast	\$ Difference	% Difference
Receipts				
Receipts from Operation	3,250	5,734	(2,484)	-43%
Other Receipts	104	196	(92)	-47%
Total Receipts	3,354	5,930	(2,576)	-43%
Operating Disbursements				
Payroll and Employee Related Costs	(1,634)	(1,696)	62	4%
Rent and Property Taxes	(71)	(57)	(14)	-25%
Taxes and Levies	(1,209)	(1,373)	164	12%
Other Operating Expenses	(2,898)	(6,231)	3,333	53%
Capital Expenditures	(22)	(291)	269	92%
Total Operating Disbursements	(5,834)	(9,648)	3,814	40%
Net Cash from Operations	(2,480)	(3,718)	1,238	33%
Restructuring Disbursements	(1,833)	(1,966)	133	7%
NET CASH FLOWS	(4,313)	(5,684)	1,371	24%
Cash				
Beginning Balance	1,967	1,967	-	0%
Net Receipts/ (Disbursements)	(4,313)	(5,684)	1,371	24%
DIP Advances/ (Repayments)	3,492	4,518	(1,026)	23%
Ending Balance	1,146	801	345	-43%

57. Explanations for key variances are as follows:

- (a) the negative variance in Receipts from Operations of approximately \$2.5 million is due to lower than forecasted sales;
- (b) the positive variance in Other Operating Expenses of approximately \$3.3 million primarily relates to lower spending, a portion of which is temporary and expected to reverse in upcoming weeks, with the remaining portion being permanent in nature due to lower volume;
- (c) the positive variance in Capital Expenditures of approximately \$0.3 million relates to reduced spending; and
- (d) the positive variance in Restructuring Disbursements of approximately \$0.1 million is a timing variance and is expected to reverse in upcoming weeks.

K. STAY EXTENSION AND DIP AMENDMENT

58. The Stay Period currently expires on June 30, 2021.

59. The FIGR Group is seeking a further extension of the Stay Period to September 3, 2021 as it will allow the Monitor, with the assistance of the FIGR Group, to complete the transactions contemplated by the CIG Subscription and Share Purchase Agreement and Norfolk Sale Agreement and advance the Claims Procedure and the Employee Claims Procedure, which will ultimately preserve and maximize the value of the Applicants' business for their stakeholders.
60. The FIGR Group and the DIP Lender have agreed to an amendment of the DIP Facility (the "**Second DIP Amendment**"), an executed copy of which is attached hereto as **Appendix "A"**. Capitalized terms in this section, not otherwise defined herein, have the meaning ascribed to them in the Second DIP Amendment.
61. The Second DIP Amendment provides for, among other things:
- (a) an increase to the DIP Facility of \$3,000,000 from \$13,000,000 (plus interest and costs) to \$16,000,000 (plus interest and costs); and
 - (b) an extension of the maturity date of the DIP Facility from June 30, 2021 to September 3, 2021.
62. The Second DIP Amendment includes additional conditions that are required in order for the Second DIP Amendment to be effective including an order granted by the Court, in a form acceptable to the DIP Lender and the FIGR Group, approving the Second DIP Amendment.
63. The Applicants are also seeking approval from the Court to increase the DIP Lender's Charge to \$16,000,000 (plus interest and costs) in order to correspond with the amended DIP Facility, provided the Court approves the Second DIP Amendment.
64. As is demonstrated in the cash flow projection attached to this Fifth Report as Appendix "**B**" (the "**Revised Cash Flow Projection**"), the FIGR Group is forecast to have sufficient liquidity to fund their obligations and the costs of the CCAA Proceedings through the end of the extended Stay Period with the increase to the DIP Facility

contemplated in the Second DIP Amendment. The Revised Cash Flow Projection is summarized below:

(SCAD in thousands)

	15 Week Between W/E May-28 and W/E Sep-3
	Total
Receipts	
Receipts from Operation	1,580
Sub-Debt Funding	-
Other Receipts	-
Total Receipts	1,580
Operating Disbursements	
Payroll and Employee Related Costs	(1,409)
Rent and Property Taxes	(179)
Taxes and Levies	(930)
Other Operating Expenses	(2,922)
Capital Expenditures	(124)
Total Operating Disbursements	(5,564)
Net Cash from Operations	(3,984)
Restructuring Disbursements	(1,637)
KERP	(48)
Total Restructuring Disbursements	(1,685)
NET CASH FLOWS	(5,669)
Cash	
Beginning Balance	1,146
Net Receipts/ (Disbursements)	(5,669)
DIP Advances/ (Repayments)	5,323
Ending Balance	800

65. The proposed Second Ancillary Order seeks to authorize or empower the Applicants (or the Monitor on behalf of the Applicants) to make, or to cause to be made, distributions from funds or proceeds held now or received in the future by the Applicants (or the Monitor on behalf of the Applicants) to the DIP Lender in repayment of the obligations secured by the DIP Lender's Charge.
66. The Monitor expects that amounts held in reserve by the Applicants (or the Monitor on behalf of the Applicants) will be sufficient to cover the repayment of prior encumbrances such as the Administration Charge and Director's Charge (as such terms are defined in the Amended and Restated Initial Order).

Monitor's Recommendations

67. Based on the information presently available, the Monitor believes that creditors will not be materially prejudiced by the proposed extension of the Stay Period and that the

proposed extension of the Stay Period is necessary to permit the FIGR Group to complete the CIG Transaction and Norfolk Transaction, in furtherance of the interests of the FIGR Group and its stakeholders. The Monitor believes that the Applicants have acted, and continue to act, in good faith and with due diligence and that the circumstances support an extension of the Stay Period.

68. The Monitor is supportive of the Second DIP Amendment and the corresponding increase to the DIP Lender's Charge and believes that each is reasonably necessary in order to ensure that the FIGR Group has sufficient liquidity available to continue its ordinary course operations and to enable the FIGR Group to complete the CIG Transaction and Norfolk Transaction, in furtherance of the interests of the FIGR Group and its stakeholders.

L. APPROVAL OF THE MONITOR'S FEES AND ACTIVITIES

69. The Monitor and its legal counsel, Cassels, have been paid their fees and disbursements at their standard rates and charges by the Applicants from time to time, in accordance with paragraph 30 of the Amended and Restated Initial Order, as part of the costs of the CCAA Proceedings.
70. Pursuant to previous orders of the Court, the fees and disbursements of the Monitor and Cassels for periods prior to April 18, 2021 were approved.
71. The Monitor and Cassels have maintained records of their professional time and costs. The Monitor now requests approval of its fees and disbursements for the period from April 19, 2021 to May 31, 2021, and the fees and disbursements for Cassels for the period principally from April 19, 2021 to May 14, 2021.
72. The total fees and disbursements of the Monitor for the period of April 19, 2021 to May 31, 2021 total \$803,696.34, including fees in the amount of \$710,971.00, disbursements in the amount of \$264.69, and HST in the amount of \$92,460.65, as more particularly described in the affidavit of Jeffrey Rosenberg sworn June 3, 2021 (the "**Rosenberg Affidavit**"), a copy of which is attached hereto as **Appendix "C"**. Certain of the time

entries in the accounts attached to the Rosenberg Affidavit have been redacted for commercial sensitivity.

73. The total fees and disbursements of Cassels principally from April 19, 2021 to May 14, 2021 total \$229,147.62, including fees in the amount of \$202,785.50, and HST in the amount of \$26,362.12, as more particularly described in the affidavit of Ryan Jacobs sworn June 3, 2021 (the “**Jacobs Affidavit**”, together with the Rosenberg Affidavit, the “**Fee Affidavits**”), a copy of which is attached hereto as **Appendix “D”**. Certain of the time entries in the accounts attached to the Jacobs Affidavit have been redacted for privilege.
74. The Monitor respectfully submits that the fees and disbursements of the Monitor and its counsel, as set out in the Fee Affidavits, are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Orders issued in the CCAA Proceedings. Accordingly, the Monitor respectfully requests the approval of the fees and disbursements of the Monitor and its counsel, as set out in the Fee Affidavits.
75. The Monitor is also requesting approval of this Fifth Report and the activities of the Monitor described herein.

M. CONCLUSION

76. For the reasons stated in this Fifth Report, the Monitor supports the relief sought by the FIGR Group in connection with the June 9 Motion. The Monitor respectfully submits to the Court this, its Fifth Report.

Dated this 4th day of June, 2021.

FTI Consulting Canada Inc.
In its capacity as Monitor of
FIGR Brands, Inc. and the other corporations in the FIGR Group



Jeffrey Rosenberg
Senior Managing Director



Jodi Porepa
Managing Director

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
FIGR BRANDS, INC., *et al.*

Court File No: CV-21-00655373-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**FIFTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA
INC.,
IN ITS CAPACITY AS MONITOR**

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Lawyers for FTI Consulting Canada Inc., in its
capacity as Monitor

APPENDIX “G”

[ATTACHED]

FIGR Brands, Inc. & FIGR Norfolk Inc.

Consolidated Cash Flow Projections

(SCAD in thousands)

Forecast Week Ending	28-Jan-22	04-Feb-22	11-Feb-22	18-Feb-22	25-Feb-22	04-Mar-22	11-Mar-22	18-Mar-22	25-Mar-22	01-Apr-22	08-Apr-22	15-Apr-22	22-Apr-22	29-Apr-22	Total	
Forecast Week	[1]	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Receipts																
Receipts from Operation	[2]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Receipts	[3]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Disbursements																
Payroll and Employee Related Costs	[4]	(53)	(25)	(78)	-	(38)	(6)	(38)	-	-	(44)	-	(38)	-	(44)	(364)
Rent and Property Taxes	[5]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes and Levies	[6]	-	(15)	-	-	-	(89)	-	-	(71)	-	-	-	-	-	(175)
Other Operating Expenses	[7]	(30)	(30)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(300)
Capital Expenditures	[8]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Disbursements		(83)	(70)	(98)	(20)	(58)	(115)	(58)	(20)	(20)	(135)	(20)	(58)	(20)	(64)	(839)
Net Cash from Operations		(83)	(70)	(98)	(20)	(58)	(115)	(58)	(20)	(20)	(135)	(20)	(58)	(20)	(64)	(839)
Restructuring Disbursements	[9]	(44)	(73)	(154)	(184)	(184)	(169)	(289)	(89)	(89)	(89)	(51)	(43)	(37)	(37)	(1,532)
KERP		-	(110)	-	-	-	-	-	-	-	-	-	-	-	-	(110)
Total Restructuring Disbursements		(44)	(183)	(154)	(184)	(184)	(169)	(289)	(89)	(89)	(89)	(51)	(43)	(37)	(37)	(1,642)
NET CASH FLOWS		(127)	(253)	(252)	(204)	(242)	(284)	(347)	(109)	(109)	(224)	(71)	(101)	(57)	(101)	(2,481)
Cash																
Beginning Balance		714	587	334	200	200	200	200	200	200	200	200	200	200	200	714
Net Receipts/ (Disbursements)		(127)	(253)	(252)	(204)	(242)	(284)	(347)	(109)	(109)	(224)	(71)	(101)	(57)	(101)	(2,481)
Advances from Net Proceeds of Sale		-	-	118	204	242	284	347	109	109	224	71	101	57	101	1,967
Ending Balance		587	334	200	200	200	200	200	200	200	200	200	200	200	200	200

Advances from Net Proceeds of Sale																
Opening Balance		2,856	2,856	2,856	2,974	3,178	3,420	3,704	4,050	4,159	4,267	4,492	4,563	4,664	4,720	2,856
Advances	[10]	-	-	118	204	242	284	346	108	108	224	71	101	57	101	1,964
Ending Balance		2,856	2,856	2,974	3,178	3,420	3,704	4,050	4,158	4,267	4,491	4,563	4,664	4,721	4,821	4,820

Notes to the Consolidated Cash Flow Projections:

[1] The purpose of the Cashflow Projections is to estimate the liquidity requirements of FIGR Brands, Inc., and FIGR Norfolk Inc. ("FIGR" or the "Company") during the forecast period.

[2] Sale proceeds related to the sale of CIG and expected sale proceeds from the sale of Norfolk are not included as part forecast as part of this CCAA CFF.

[3] Forecast Other Receipts includes expected tax refunds.

[4] Forecast Payroll and Employee Related Costs are based on recent payroll amounts and future forecast amounts.

[5] Forecast Rent and Property Taxes include payments to landlord for Toronto head office space and property taxes on properties.

[6] Forecast Taxes and Levies include payments related to HST remittances.

[7] Forecast Other Operating Expenses include production, maintenance, utilities and other general and administrative costs.

[8] Forecast Capital Expenditures reflect estimated capital spending required to maintain normal course of business and comply with existing license requirements.

[9] Forecast Restructuring Disbursements include legal and financial advisor fees associated with the CCAA proceedings and are based on estimates provided by the advisors.

[10] Total DIP and accrued interest were repaid on July 8. Post-repayment of DIP, operations are being funded directly from Net Proceeds of sale as agreed to by the DIP Lender, Alliance One Tobacco Canada, Inc. ("AOTC").

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

Court File No: CV-21-00655373-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
FIGR BRANDS, INC., *et al.*

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at TORONTO

EIGHTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA
INC.,
IN ITS CAPACITY AS MONITOR

Cassels Brock & Blackwell LLP

2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

Ryan Jacobs LSO #: 59510J

Tel: 416.860.6465
Email: rjacobs@cassels.com

Jane O. Dietrich LSO #: 49302U

Tel: 416.860.5223
Email: jdietrich@cassels.com

Lawyers for FTI Consulting Canada Inc., in its capacity as
Monitor

APPENDIX “B”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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 FIGR
BRANDS, INC., FIGR NORFOLK INC. AND 1307849 B.C. LTD.
(collectively, the "**Applicants**")

**AFFIDAVIT OF JEFFREY ROSENBERG
(sworn April 14, 2022)**

I, Jeffrey Rosenberg, of the City of Toronto, in the Province of Ontario, MAKE OATH
AND SAY:

1. I am a Senior Managing Director of FTI Consulting Canada Inc. ("**FTI**"), which was appointed as monitor ("**Monitor**") in the CCAA proceedings of the Applicants by the Initial Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated January 21, 2021 as amended and restated from time to time. As such, I have knowledge of the matters to which I depose except where stated to be on information and belief, and where so stated, I verily believe it to be true.

2. Pursuant to the Ancillary Order dated February 22, 2021, the Court approved the fees and disbursements, including Harmonized Sales Tax ("**HST**"), of FTI in the amount of \$499,753.78 incurred during the period from January 21, 2021 to February 7, 2021. Pursuant to the DIP Amendment and Fee Approval Order dated March 31, 2021, the Court approved the fees and disbursements, including HST, of FTI in the amount of \$840,150.82 incurred during the period from February 7, 2021 to March 14, 2021. Pursuant to the Stay Extension and Fee Approval Order dated April 30, 2021, the Court approved the fees and disbursements, including HST, of FTI in the amount of \$808,782.19 incurred during the period from March 15, 2021 to April 18, 2021. Pursuant to the Second Ancillary Order, dated June 10, 2021, the Court approved the fees and disbursements, including HST, of FTI in the amount of \$803,696.34 incurred during the period from April 19, 2021 to May 31, 2021. Pursuant to the Stay Extension, Norfolk KERF, Sealing, & Monitor Fee Approval Order dated

August 24, 2021, the Court approved the fees and disbursements, including HST, of FTI in the amount of \$793,035.71 incurred during the period principally from June 1, 2021 to August 8, 2021. Pursuant to the Stay Extension and Monitor Fee Approval Order dated October 19, 2021, the Court approved the fees and disbursements, including HST, of FTI in the amount of \$245,075.45 incurred during the period principally from August 9, 2021 to September 30, 2021. Pursuant to the Stay Extension, Distribution, WEPPA and Fee Approval Order dated February 2, 2022, the Court approved the fees and disbursements, including HST, of FTI in the amount of \$500,342.57 incurred during the period principally from October 1, 2021 to January 16, 2022.

3. During the period from January 17, 2022 to April 10, 2022, FTI incurred fees and disbursements, including HST, in the amount of \$591,994.02. Particulars of the work performed are contained in the invoices (the "**Invoices**") attached hereto and marked as **Exhibit "A"** to this my affidavit.

4. Attached as **Exhibit "B"** is a schedule summarizing each Invoice in Exhibit "A", the total billable hours charged per Invoice, the total fees charged per Invoice and the average hourly rate charged per Invoice. The average hourly rate charged by FTI is \$839.83.

5. Attached as **Exhibit "C"** is a schedule summarizing the billing rates of each individual at FTI, as the case may be.

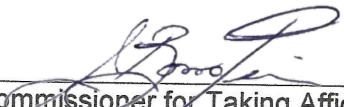
6. To the best of my knowledge, the rates charged by FTI throughout the course of these proceedings are comparable to the rates charged by other firms in the Toronto market for the provision of similar services, and the rates charged by FTI for services rendered in similar proceedings.

7. I have reviewed the affidavit of Ryan Jacobs of Cassels Brock & Blackwell LLP ("**Cassels**") sworn on April 14, 2022 and the accounts of Cassels attached thereto. Cassels is counsel to FTI as Monitor in the CCAA proceedings of the Applicants. To the best of my knowledge, the rates charged by Cassels throughout the course of these proceedings are comparable to the rates charged by other firms in the Toronto market for the provision of similar services, and the rates charged by Cassels for services rendered in similar proceedings.

8. I make this affidavit in support of a motion for, among other things, approval of the fees and disbursements of FTI and Cassels, and for no other or improper purpose.

SWORN BEFORE ME by video conference on this 14th day of April 2022. The affiant and I both were located the City of Toronto in the Province of Ontario. This affidavit was commissioned remotely in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.




A commissioner for Taking Affidavits
(or as may be)


JEFFREY ROSENBERG

Commissioner Name: Jeremy Bornstein
Law Society of Ontario Number: 65425C

This is Exhibit "A" referred to in the affidavit of Jeffrey Rosenberg, sworn before me by videoconference on April 14, 2022 in accordance with O.Reg. 431/20. The affiant was located in the City of Toronto in the Province of Ontario and I was located in the City of Toronto in the Province of Ontario


.....
A Commissioner for Taking Affidavits

Commissioner Name: Jeremy Bornstein
Law Society of Ontario Number: 65425C

EXHIBIT "A"

**True Copies of the Invoices issued to the Applicants
for fees and disbursements incurred by
FTI Consulting Canada Inc.**



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

January 29, 2022

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005203

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through January 23, 2022.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', written over a blue ink scribble.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

January 29, 2022
FTI Invoice No. 29005203
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through January 23, 2022

	<i>CAD (\$)</i>
Professional Services.....	\$56,873.50
Expenses.....	\$0.00
Total Fees and Expenses.....	\$56,873.50
HST Registration No. 835718024RT0001	\$7,393.56
Total Amount Due this Period.....	\$64,267.06
Total Amount Due.....	<u>\$64,267.06</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

January 29, 2022
FTI Invoice No. 29005203
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through January 23, 2022

CCAA

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$1,020.00	19.90	\$20,298.00
Jodi Porepa	Managing Director	\$910.00	20.50	\$18,655.00
Graham McIntyre	Senior Consultant	\$610.00	17.10	\$10,431.00
Total Hours and Fees			57.5	\$49,384.00

Sales Process

Name	Title	Rate	Hours	Total
James Belcher	Senior Managing Director	\$935.00	7.70	\$7,199.50
Patrick Kennedy	Senior Consultant	\$580.00	0.50	\$290.00
Total Hours and Fees			8.2	\$7,489.50

HST Registration No. 835718024RT0001 **\$7,393.56**

Invoice Total for Current Period **\$64,267.06**

PROFESSIONAL SERVICES

CCAA

Jeffrey Rosenberg

01/17/22	Attend call with Bennett Jones; review of financial information; attend call with Ryan Atkinson.	3.00	
01/18/22	Review correspondence from David Hyde; communication with Bennett Jones; call with management; work on court report.	3.00	
01/19/22	Work with respect to closing documents; work on distributions; calls with Ryan Atkinson, calls with Bennett Jones with respect to closing; work on regulatory matters; work on claims matters.	5.00	
01/20/22	Review of correspondence regarding file closing; review of financial information; attend update call with employees regarding closing; work on claims matters.	2.10	
01/21/22	Attend call with Norfolk management; call with Bennett Jones; call with creditors; call with Cassels; work on employment matters; review of employee expenses; work on closing matters; update call with Harvey and Mike.	3.60	
01/23/22	Work on court report; attend call with Cassels regarding the same; attend call with Bennett Jones regarding the same; work on employee matters; attend financial update call.	3.20	
	\$1,020.00 per hour x total hrs of	19.90	\$20,298.00

Jodi Porepa

01/17/22	Review updated documentation regarding certain claims; internal discussions regarding same; prepare for statement of adjustments for Norfolk; review variance analysis.	2.70	
01/18/22	Review court report and provide comments.	3.40	
01/19/22	Review variance analysis; review proposed disbursements; discussions regarding same; review revised and extended cash flow forecast; review updated distribution analysis; respond to Pyxus enquiries.	3.50	
01/21/22	Review updated Report and provide comments; internal discussions regarding cash flow forecast and variance analysis.	2.10	
01/22/22	Review and update Monitor's Report; draft certain sections of the Monitor's Report; review revised and extended cash flow forecast and provide comments; review draft distribution analysis and provide comments.	3.10	
01/23/22	Review proposed order; review draft affidavit and provide comments; internal call to discuss Monitor's Report and associated financial tables; call with Cassels Brock to discuss report; review and update report.	5.70	
	\$910.00 per hour x total hrs of	20.50	\$18,655.00

Graham McIntyre

01/18/22	Review of accruals related to the statement of closing adjustments for Norfolk transaction; preparing wire for disbursement funding; review of prior week variance analysis.	2.80	
01/19/22	Internal discussions regarding the distribution of proceeds analysis for Court report and Distribution Order.	3.50	
01/20/22	Reviewing of upcoming week's disbursements and funding requests; review disbursements against short-term forecast.	2.50	



Invoice Activity

01/21/22	Updating distribution of proceeds analysis for court reporting purposes; walkthroughs of multiple iterations of distribution analysis; review of professional fees for fee application; discussions regarding potential statement of closing adjustments for Norfolk transaction.	5.30		
01/23/22	Updates to preliminary cash flow forecast and distribution analysis; discussions with Counsel regarding court report.	3.00		
			\$610.00 per hour x total hrs of	
		17.10		\$10,431.00

**Sales Process
James Belcher**

01/17/22	Review and comment on correspondence; calls with FTI and purchaser.	2.10		
01/18/22	Review of correspondence.	2.00		
01/19/22	Calls with FTI and purchaser; review of correspondence.	2.10		
01/20/22	Call with FTI and review of correspondence.	1.50		
			\$935.00 per hour x total hrs of	
		7.70		\$7,199.50

Patrick Kennedy

01/19/22	Matters pertaining to closing Norfolk.	0.30		
01/20/22	Matters pertaining to closing Norfolk.	0.20		
			\$580.00 per hour x total hrs of	
		0.50		\$290.00



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

January 31, 2022

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005220

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through January 31, 2022.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', written over a blue line.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

January 31, 2022
FTI Invoice No. 29005220
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through January 31, 2022

	<i>CAD (\$)</i>
Professional Services.....	\$94,709.50
Expenses.....	\$0.00
Total Fees and Expenses.....	\$94,709.50
HST Registration No. 835718024RT0001	\$12,312.24
Total Amount Due this Period.....	\$107,021.74
Total Amount Due.....	<u>\$107,021.74</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

January 31, 2022
FTI Invoice No. 29005220
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through January 31, 2022

CCAA

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$1,020.00	29.10	\$29,682.00
Jodi Porepa	Managing Director	\$910.00	35.70	\$32,487.00
Graham McIntyre	Senior Consultant	\$610.00	29.10	\$17,751.00
Kathleen Foster	Executive Assistant II	\$145.00	0.80	\$116.00
Total Hours and Fees			94.7	\$80,036.00

Sales Process

Name	Title	Rate	Hours	Total
Adam Zalev	Senior Managing Director	\$1,085.00	8.00	\$8,680.00
James Belcher	Senior Managing Director	\$935.00	6.10	\$5,703.50
Patrick Kennedy	Senior Consultant	\$580.00	0.50	\$290.00
Total Hours and Fees			14.6	\$14,673.50

HST Registration No. 835718024RT0001 **\$12,312.24**

Invoice Total for Current Period **\$107,021.74**

PROFESSIONAL SERVICES

CCAA

Jeffrey Rosenberg

01/24/22	Review of closing documents; review of budget to actual documents; review correspondence from purchaser; review correspondence regarding Norfolk close; attend call with Ryan Atkinson; work on regulatory matters; attend call with management; work on creditor issues; review of landlord settlement agreement; correspondence to purchaser; work on transition issues; work on Court Report.	4.50		
01/25/22	Review of draft statement of adjustments; call with Ryan Atkinson regarding employee matters; attend update call with Pyxus; review of revised draft of settlement agreement; review of cash flow; walk through cash flow with management; work on insurance matters; work with respect to transition matters; work on WEPP matters; work on court report; work on statement of adjustments.	4.50		
01/26/22	Work on court materials; call with Service Canada and review correspondence regarding the same; review of employment agreements; several calls related to SOP's including calls with Management, Bennett Jones, David Hyde; review of legal documents for filing; work on WEPPA matters.	5.50		
01/27/22	Attend numerous calls with Bennett Jones regarding closing matters; attend numerous calls with Cassels regarding closing; call with management regarding closing documents; review of regulatory update; work on court report; attend preclosing call.	5.40		
01/28/22	Review of disbursements; review of closing documents; attend several calls regarding closing; review of final reports.	4.80		
01/29/22	Review of Factum; review of correspondence.	1.30		
01/31/22	Review of payments; work on WEPPA matters; review of correspondence from Cassels; review of budget to actual; call with management and Bennett Jones.	3.10		
	<u>\$1,020.00 per hour x total hrs of</u>	<u>29.10</u>		<u>\$29,682.00</u>

Jodi Porepa

01/24/22	Review updated distribution analysis; internal discussions regarding same; review initial order black line and provide comments; review and update cash flow forecast.	5.00		
01/25/22	Review and update cash flow forecast; review and update Monitor's Report; review distribution analysis; review WEPPA legislation; call with counsel in preparation for WEPPA discussion.	8.50		
01/26/22	Call with WEPPA; prep call with Service Canada; debrief call with Service Canada; review updated cash flow forecast; review and update tables in the report; review and update report; review and update affidavit; review and update order.	9.30		
01/27/22	Review and update tables for report; review and update report; calls with counsel to discuss report; review proposed disbursements.	8.00		
01/28/22	Review proposed disbursements; review variance analysis; review WEPPA next steps; correspondence with WEPPA.	3.00		
01/31/22	Review and respond regarding WEPPA; review employee-related calculations; determine next steps for WEPPA.	1.90		
	<u>\$910.00 per hour x total hrs of</u>	<u>35.70</u>		<u>\$32,487.00</u>

Graham McIntyre

01/24/22	Review of prior week variance analysis; updating court cash flow for prior week actuals; updating distribution of proceeds analysis for updated cash flow forecast; review and walkthrough of cash flow forecast and distribution of proceeds analysis.	10.50	
01/25/22	Discussions regarding WEPP; walkthrough of court cash flow forecast; discussions regarding employee claim and vacation benefits; drafting the statement of adjustment schedule; updating key tables and numbers for court report; review of fee affidavit.	5.00	
01/26/22	Updates to cash flow forecast and distribution of proceeds analysis; reviews affidavits; updating employee claim calculations for key executives; call with Service Canada regarding WEPPA.	5.30	
01/27/22	Finalizing court report; finalizing cash flow forecast; final review of tables and numbers for court report; review of fee affidavit; internal discussions regarding employee claims and vacation and benefit calculations.	5.50	
01/28/22	Review of upcoming disbursements and funding requests; uploading documents to Monitor's site; correspondence requiring vacation benefits and employee claim statements; processing wire to close the transaction.	2.80	
		<hr/>	
		\$610.00 per hour x total hrs of	29.10 \$17,751.00

Kathleen Foster

01/27/22	Website updates performed for FTI Case Sites for FIGR.	0.50	
01/28/22	Website updates performed for FTI Case Sites for FIGR.	0.30	
		<hr/>	
		\$145.00 per hour x total hrs of	0.80 \$116.00

Sales Process

Adam Zalev

01/24/22	Various matters pertaining to closing.	1.5	
01/25/22	Various matters pertaining to closing.	1.5	
01/26/22	Various matters pertaining to closing.	2.0	
01/27/22	Various matters pertaining to closing.	1.5	
01/28/22	Various matters pertaining to closing.	1.5	
		<hr/>	
		\$1,085.00 per hour x total hrs of	8.00 \$8,680.00

James Belcher

01/24/22	Various closing matters.	1.00	
01/25/22	Various closing matters.	1.60	
01/26/22	Various closing matters.	0.90	
01/27/22	Various closing matters.	1.00	
01/28/22	Various closing matters.	1.60	
		<hr/>	
		\$935.00 per hour x total hrs of	6.10 \$5,703.50

Patrick Kennedy

01/27/22	Matters pertaining to Norfolk closing	0.50	
		<hr/>	
		\$580.00 per hour x total hrs of	0.50 \$290.00



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

February 11, 2022

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005235

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through February 6, 2022.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', with a blue arrow pointing from the signature towards the typed name below.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

February 11, 2022
FTI Invoice No. 29005235
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through February 6, 2022

	<i>CAD (\$)</i>
Professional Services.....	\$36,056.00
Expenses.....	\$0.00
Total Fees and Expenses.....	\$36,056.00
HST Registration No. 835718024RT0001	\$4,687.28
Total Amount Due this Period.....	\$40,743.28
Total Amount Due.....	<u>\$40,743.28</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

February 11, 2022
FTI Invoice No. 29005235
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through February 6, 2022

CCAA

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$1,020.00	9.1	\$9,282.00
Jodi Porepa	Managing Director	\$910.00	20.1	\$18,291.00
Hrvoje Muhek	Senior Director	\$810.00	0.5	\$405.00
Graham McIntyre	Senior Consultant	\$610.00	13.1	\$7,991.00
Kathleen Foster	Executive Assistant I	\$145.00	0.6	\$87.00
Total Hours and Fees			43.4	\$36,056.00

HST Registration No. 835718024RT0001 **\$4,687.28**

Invoice Total for Current Period **\$40,743.28**

PROFESSIONAL SERVICES

Jeffrey Rosenberg

02/01/22	Attend call with FIGR management; attend call with Bennett Jones; review of payments; review of employee claims; review of resignation letter; work on employees matters; attend Norfolk call; discussions with management.	3.30	
02/02/22	Prepare for and attend court; follow up call with Cassels; follow up call with Bennett Jones; work on employee matters.	2.50	
02/03/22	Work on WEPPA matters; work on vacation pay amounts; review of funding; work on vacation pay matters; review of court order.	3.30	
	\$1,020.00 per hour x total hrs of	9.10	\$9,282.00

Jodi Porepa

02/01/22	Review variance analysis; internal discussions in respect of same; review distribution analysis; follow up in respect of same; prepare for court; discussions in respect of same; review preliminary employee calculations.	6.30	
02/02/22	Attend court; review proposed disbursements; discussions in respect of same; review WEPPA requirements and determine next steps.	5.30	
02/03/22	Review distribution analysis; follow up in respect of same; review revised employee calculations; review reconciliations of updated financial information; review WEPPA next steps; review WEPPA applicability.	5.40	
02/04/22	Review distribution analysis; follow up in respect of same; review revised employee calculations; provide comments; review vacation payable and follow up with counsel; review WEPPA and distribution next steps; review endorsement.	3.10	
	\$910.00 per hour x total hrs of	20.10	\$18,291.00

Hrvoje Muhek

02/04/22	Internal call regarding WEPP matters and contemplated distributions to unsecured creditors.	0.50	
	\$810.00 per hour x total hrs of	0.50	\$405.00

Graham McIntyre

02/01/22	Drafting Employee Claim Statement and correspondence regarding the same; processing wire for weekly funding; uploading documents to Monitor's site.	2.30	
02/02/22	Uploading documents to Monitor's website; discussions with payroll provider regarding accrued vacation calculations; delivering Employee Claims Package to Employee Claimant.	2.00	
02/03/22	Review of WEPP and Distribution next steps and discussions regarding the same; review of prior week variance analysis; review and updates to vacation payout calculations.	4.00	
02/04/22	Review of upcoming disbursement and funding requests; review disbursements against short-term cash flow forecast; correspondence and work related to vacation pay calculations.	4.80	
	\$610.00 per hour x total hrs of	13.10	\$7,991.00

Kathleen Foster

02/01/22	Website updates for FIGR site.	0.30	
02/03/22	Website updates for FIGR site.	0.30	
	\$145.00 per hour x total hrs of	0.60	\$87.00



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

February 18, 2022

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005244

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through February 13, 2022.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', with a blue arrow pointing to the right.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

February 18, 2022
FTI Invoice No. 29005244
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through February 13, 2022

	CAD (\$)
Professional Services.....	\$56,755.50
Expenses.....	\$0.00
Total Fees and Expenses.....	\$56,755.50
HST Registration No. 835718024RT0001	\$7,378.22
Total Amount Due this Period.....	\$64,133.72
Total Amount Due.....	<u>\$64,133.72</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

February 18, 2022
FTI Invoice No. 29005244
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through February 13, 2022

CCAA

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$1,020.00	15.3	\$15,606.00
Jodi Porepa	Managing Director	\$910.00	27.6	\$25,116.00
Hrvoje Muhek	Senior Director	\$810.00	3.7	\$2,997.00
Graham McIntyre	Senior Consultant	\$610.00	21.3	\$12,993.00
Kathleen Foster	Executive Assistant I	\$145.00	0.3	\$43.50
Total Hours and Fees			68.2	\$56,755.50

HST Registration No. 835718024RT0001 \$7,378.22

Invoice Total for Current Period **\$64,133.72**

PROFESSIONAL SERVICES

Jeffrey Rosenberg

02/07/22	Review of disbursements; review of WEPPA matters; cancellation of insurance; review of endorsement.	2.70		
02/08/22	Review of court documentation and make revisions; review of Monitor's Report; work on closing matters; attend update calls.	3.00		
02/09/22	Work on employee matters; work on claims matters; work on file finalization matters.	3.10		
02/10/22	Attend call with Pyxus; attend call with Bennett Jones; attend call with staff to progress wind up; review of budget to actual variance analysis; review of funding requirements; attend WEPPA call.	3.10		
02/11/22	Attend call with Bennett Jones; attend call with Cassels Brock; attend call with management; review of employee separation agreement; work on tax matters; attend update call with management in respect of same.	3.40		
	\$1,020.00 per hour x total hrs of	15.30		\$15,606.00

Jodi Porepa

02/07/22	Review and finalize vacation calculation payouts; internal discussions regarding same; review upcoming WEPPA requirements; review preliminary claims pool; review distribution analysis; review next steps to finalize distributions; call with WEPPA contact; draft follow up with counsel.	5.60		
02/08/22	Review and provide comments on employee calculations; internal discussions regarding same; review WEPPA and distribution next steps; internal discussions regarding same.	5.40		
02/09/22	Review vacation pay calculations; internal discussions in respect of same; review preliminary distribution analysis; internal discussions regarding same; review preliminary variance analysis; internal discussions regarding same.	5.50		
02/10/22	Review distribution analysis; internal discussions regarding same; review employee calculations; review variance analysis; provide comments in respect of same.	4.60		
02/11/22	Review distribution analysis; review updated claims register; review preliminary reconciliation of ending cash balance; provide comments in respect of same; internal discussions regarding same; review employee calculations.	4.10		
02/13/22	Review and provide comments on reconciliation; follow up on outstanding items regarding variance analysis.	2.40		
	\$910.00 per hour x total hrs of	27.60		\$25,116.00

Hrvoje Muhek

02/07/22	Internal FTI call regarding WEPPA matters and contemplated distributions to unsecured creditors.	1.50		
02/09/22	FTI internal correspondence regarding WEPPA and Service Canada EI matters for former FIGR employees.	0.30		
02/10/22	Prepare and submit a trustee/receiver WEPP authentication form. Internal FTI correspondence regarding contemplated WEPPA filing for FIGR employees. Internal FTI call regarding WEPPA matters and contemplated distributions to creditors.	1.90		
	\$810.00 per hour x total hrs of	3.70		\$2,997.00



Invoice Activity

Graham McIntyre

02/07/22	Review of the prior week variance analysis; finalizing vacation pay calculations; correspondence with Company to finalize payments; correspondence with counsel to finalize payments; updating distribution of proceeds analysis for actual results.	6.00		
02/08/22	Review of vacation balance calculations; correspondence with Company and counsel regarding vacation pay calculations; review of prior week variance analysis; correspondence with counsel regarding distribution process and next steps; correspondence regarding employee assignment agreements; processing wire for weekly funding.	5.50		
02/09/22	Review of Company-provided information for vacation calculations; correspondence with counsel and Company confirming final vacation payment calculations.	3.50		
02/10/22	Internal discussions regarding next steps for distribution workstream; discussions regarding WEPPA next steps; uploading documents to Monitor's site.	2.00		
02/11/22	Updating distribution of proceeds analysis and support schedules; updating draft distribution notice letters; discussions with Management regarding distribution process and next steps.	4.30		
	<u>\$610.00 per hour x total hrs of</u>	<u>21.30</u>		<u>\$12,993.00</u>

Kathleen Foster

02/10/22	Website updates performed.	0.30		
	<u>\$145.00 per hour x total hrs of</u>	<u>0.30</u>		<u>\$43.50</u>



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

February 25, 2022

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005248

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through February 20, 2022.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', with a long horizontal stroke extending to the right.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

February 25, 2022
FTI Invoice No. 29005248
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through February 20, 2022

	<i>CAD (\$)</i>
Professional Services.....	\$51,345.00
Expenses.....	\$0.00
Total Fees and Expenses.....	\$51,345.00
HST Registration No. 835718024RT0001	\$6,674.85
Total Amount Due this Period.....	\$58,019.85
Total Amount Due.....	<u>\$58,019.85</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

February 25, 2022
FTI Invoice No. 29005248
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through February 20, 2022

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$1,020.00	12.7	\$12,954.00
Jodi Porepa	Managing Director	\$910.00	20.6	\$18,746.00
Hrvoje Muhek	Senior Director	\$810.00	5.2	\$4,212.00
Graham McIntyre	Senior Consultant	\$610.00	25.3	\$15,433.00
Total Hours and Fees			63.8	\$51,345.00
HST Registration No. 835718024RT0001				\$6,674.85
Invoice Total for Current Period				\$58,019.85

PROFESSIONAL SERVICES

Jeffrey Rosenberg

02/14/22	Call with Bennett Jones; call with management; work on employee and WEPPA issues; work on discharge issues.	2.50	
02/15/22	Attend call with claims summary; review of information; work on distribution matters; work on CRA matters; work on tax matters; review of documentation from WEPPA.	2.50	
02/16/22	Work on claims matters; work on file finalization matters; calls with legal counsel.	3.00	
02/17/22	Attend update call regarding taxes with Cassels; attend call with Bennett Jones; review of WEPPA matters; review of employee matters;	2.50	
02/18/22	Review of disbursements; attend finalization call with management; review of regulatory matters; review of claims matters; work on tax matters.	2.20	
	\$1,020.00 per hour x total hrs of	12.70	\$12,954.00

Jodi Porepa

02/14/22	Internal discussion regarding distribution analysis; internal discussions regarding variance analysis.	3.40	
02/15/22	Review variance analysis; review preliminary financial reconciliations; provide comments in respect of same.	4.50	
02/16/22	Review updated financial analysis; review claims register; review changes to reconciliation; internal discussions regarding same.	4.60	
02/17/22	Review updated financial analysis; review claims register; review changes to reconciliation; internal discussions regarding same.	4.30	
02/18/22	Call with counsel to discuss tax implications of distributions; call with management for status update; internal discussions regarding variance analysis and financial reconciliations.	3.80	
	\$910.00 per hour x total hrs of	20.60	\$18,746.00

Hrvoje Muhsek

02/15/22	Working session regarding distribution and WEPPA notices to FIGR creditors and former employees.	1.40	
02/15/22	Review and provide comments with respect to draft distribution notices to former employees and other general unsecured creditors of the FIGR group.	0.70	
02/16/22	Call with Service Canada to discuss contemplated distributions to former FIGR employees.	0.30	
02/16/22	Internal FTI call to discuss various FIGR workstreams related to contemplated distributions to unsecured creditors.	0.30	
02/16/22	Internal FTI correspondence regarding online submission of employee Trustee Information Forms to Service Canada WEPP. Prepare WEPPA process questions for the Monitor's call with Service Canada WEPP.	0.90	
02/17/22	Call with Service Canada to discuss WEPPA filing for former FIGR employees.	0.30	
02/18/22	Review and provide comments for a draft WEPPA notice and Frequently Asked Questions to former employees of the FIGR Group; prepare a step by step WEPPA filing guide.	1.30	
	\$810.00 per hour x total hrs of	5.20	\$4,212.00

Invoice Activity

Graham McIntyre

02/14/22	Updating creditor information for distribution process; distribution of proceeds analysis and walkthrough of analysis.	3.80	
02/15/22	Walkthrough of updated distribution of proceeds analysis; review and discussion of creditor notice letters.	4.00	
02/16/22	Drafting communication to suppliers; review of prior week variance analysis; review of professional fees.	4.50	
02/17/22	Drafting WEPPA employee notices and Frequently Asked Questions letter; review and update of creditor notices; administrative work related to Monitor's bank account.	3.50	
02/18/22	Updating distribution of proceeds analysis; variance analysis; review of upcoming disbursements and funding request; correspondence regarding distribution process.	9.50	
	\$610.00 per hour x total hrs of	25.30	\$15,433.00



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

February 28, 2022

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005269

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through February 28, 2022.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', with a blue arrow pointing to the right.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

February 28, 2022
FTI Invoice No. 29005269
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through February 28, 2022

	<i>CAD (\$)</i>
Professional Services.....	\$43,184.00
Expenses.....	\$0.00
Total Fees and Expenses.....	\$43,184.00
HST Registration No. 835718024RT0001	\$5,613.92
Total Amount Due this Period.....	\$48,797.92
Total Amount Due.....	<u>\$48,797.92</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

February 28, 2022
FTI Invoice No. 29005269
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through February 28, 2022

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$1,020.00	11.0	\$11,220.00
Jodi Porepa	Managing Director	\$910.00	19.0	\$17,290.00
Hrvoje Muhek	Senior Director	\$810.00	2.0	\$1,620.00
Graham McIntyre	Senior Consultant	\$610.00	21.4	\$13,054.00
Total Hours and Fees			53.4	\$43,184.00
HST Registration No. 835718024RT0001				\$5,613.92
Invoice Total for Current Period				\$48,797.92

PROFESSIONAL SERVICES

Jeffrey Rosenberg

02/22/22	Work on employee matters; review of budget to actual.	2.00	
02/23/22	Work on WEPPA matters; work on finalization matters; work on licensing matters; review of budget to actual.	2.00	
02/24/22	Work on tax matters; review of funding; work on WEPPA matters; call with creditors.	2.00	
02/25/22	Attend call with Bennett Jones and Company; attend tax call with Cassels Brock; attend call with management; work on WEPPA matters.	2.50	
02/28/22	Call with EI; update of claims; review of financial matters.	2.50	
	\$1,020.00 per hour x total hrs of	11.00	\$11,220.00

Jodi Porepa

02/22/22	Call with Service Canada to discuss WEPP next steps and follow up items; call with Service Canada to discuss Employment Insurance requirements; internal discussions regarding same; review proposed disbursements; review variance analysis.	3.60	
02/23/22	Review financial reconciliations; review and provide comments on Employment Insurance template; review and provide comments on communication with third parties; review proposed disbursements; review variance analysis; review and provide comments on bank reconciliation.	3.90	
02/24/22	Call with counsel to discuss potential tax issues; call with management to discuss outstanding items; internal discussions regarding same; review financial reconciliations; review and provide comments on bank reconciliation.	3.70	
02/25/22	Review financial reconciliations; review and provide comments on Employment Insurance template; review and provide comments on communication with third parties; review proposed disbursements; review variance analysis; review and provide comments on bank reconciliation.	3.80	
02/28/22	Review financial reconciliations; review and provide comments on Employment Insurance template; review and provide comments on communication with third parties; review proposed disbursements.	4.00	
	\$910.00 per hour x total hrs of	19.00	\$17,290.00

Hrvoje Muhek

02/24/22	FTI status update call to discuss and coordinate open workstreams related to contemplated distributions and WEPPA filing.	0.50	
02/25/22	Internal FTI call to review an employee distribution document requested by Service Canada.	0.60	
02/25/22	Email to Service Canada regarding WEPPA filing for former FIGR employees; reviewed and provided comments for the employee distribution document requested by Service Canada EI.	0.90	
	\$810.00 per hour x total hrs of	2.00	\$1,620.00

Graham McIntyre

02/22/22	Processing wire for weekly funding; compiling EFT details for claimants for Claims Procedure; summarizing transaction to assist with Management's accounting.	2.30	
02/23/22	Drafting communications to employee claimants; review or prior week variance analysis; summarizing transaction details for Management's accounting.	4.50	

Invoice Activity

02/24/22	Walkthrough and updates to the distribution of proceeds analysis and variance analysis; internal discussions regarding distributions and WEPPA; compiling EFT payment details for unsecured creditors in relation to the Claims Procedure.	6.50		
02/25/22	Updating distribution of proceeds analysis and variance analysis; review of upcoming disbursements and funding request; discussions with Management and Counsel regarding WEPPA and distributions; completing documents for Service Canada; review of separation agreements related to Employee Claims Procedure.	3.80		
02/28/22	Finalizing documents to send to Service Canada in relation to the anticipated distribution; communications with claimants; review of prior week variance analysis; professional fees analysis.	4.30		
	\$610.00 per hour x total hrs of	21.40	\$13,054.00	



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

March 9, 2022

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005280

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through March 6, 2022.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', with a blue arrow pointing to the right.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

March 9, 2022
FTI Invoice No. 29005280
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through March 6, 2022

	CAD (\$)
Professional Services.....	\$35,226.00
Expenses.....	\$0.00
Total Fees and Expenses.....	\$35,226.00
HST Registration No. 835718024RT0001	\$4,579.38
Total Amount Due this Period.....	\$39,805.38
Total Amount Due.....	<u>\$39,805.38</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

March 9, 2022
FTI Invoice No. 29005280
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through March 6, 2022

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$1,020.00	8.5	\$8,670.00
Jodi Porepa	Managing Director	\$910.00	19.0	\$17,290.00
Hrvoje Muhek	Senior Director	\$810.00	1.8	\$1,458.00
Graham McIntyre	Senior Consultant	\$610.00	12.8	\$7,808.00
Total Hours and Fees			42.1	\$35,226.00
HST Registration No. 835718024RT0001				\$4,579.38
Invoice Total for Current Period				\$39,805.38

PROFESSIONAL SERVICES

Jeffrey Rosenberg

03/01/22	Call regarding distributions; work on file closing matters; work on WEPPA; review of payments.	2.00	
03/02/22	Work on employee matters; work on claims matters.	2.10	
03/03/22	Work on supplier concerns; review of funding; work on claims matters.	2.40	
03/04/22	Information for EY; call regarding closing matters; call with Bennett Jones; work on WEPPA and EI matters;	2.00	
	\$1,020.00 per hour x total hrs of	8.50	\$8,670.00

Jodi Porepa

03/01/22	Review variance analysis; review proposed disbursements; review updated distribution analysis and provide comments; internal discussions in respect of same; review Service Canada template; discussions with Service Canada representatives; call with counsel; call with company counsel; call with management; review financial reconciliation.	5.00	
03/02/22	Review variance analysis; review proposed disbursements; review updated distribution analysis and provide comments; internal discussions in respect of same; review Service Canada template; discussions with Service Canada representatives; call with counsel; call with company counsel; call with management; review financial reconciliation.	4.50	
03/03/22	Review variance analysis; review proposed disbursements; review updated distribution analysis and provide comments; internal discussions in respect of same; review Service Canada template; discussions with Service Canada representatives; call with counsel; call with company counsel; call with management; review financial reconciliation.	4.00	
03/04/22	Review variance analysis; review proposed disbursements; review updated distribution analysis and provide comments; internal discussions in respect of same; review Service Canada template; discussions with Service Canada representatives; call with counsel; call with company counsel; call with management; review financial reconciliation.	5.50	
	\$910.00 per hour x total hrs of	19.00	\$17,290.00

Hrvoje Muhsek

03/03/22	Several internal FTI working session calls to coordinate remaining work for contemplated distributions and WEPPA filing as of March 3.	0.90	
03/04/22	Review the employee claims register for split between termination and severance pay. Internal FTI call to review the employee claims register. Send a revised employee distribution worksheet to Service Canada EI.	0.90	
	\$810.00 per hour x total hrs of	1.80	\$1,458.00

Graham McIntyre

03/01/22	Updates to employee list for Service Canada; walkthrough of distribution analysis updates; review of professional fees; processing wire for weekly funding; review and discussion of future disbursements at Norfolk;	3.50	
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Invoice Activity

03/02/22	Communication with counsel regarding distributions to certain claimants; compiling wire details for claimants; processing wire for weekly funding; review of numbers in separation agreements; review of Monitor's hotline and communications with claimants; communication with Company regarding tax returns.	2.80		
03/03/22	Employee claim calculation analysis; summarizing details of employee claims; calculating estimated employee distributions related to termination and severance for Service Canada; review of following week's disbursements and funding request; internal discussions regarding distribution process and next steps.	4.50		
03/04/22	Internal discussions regarding termination and severance calculations to present to Service Canada; review of EY tax return questions and communication with Company regarding the same.	2.00		
	\$610.00 per hour x total hrs of	12.80	\$7,808.00	



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

March 16, 2022

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005288

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through March 13, 2022.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', with a blue arrow pointing to the right.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

March 16, 2022
FTI Invoice No. 29005288
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through March 13, 2022

	CAD (\$)
Professional Services.....	\$25,919.00
Expenses.....	\$0.00
Total Fees and Expenses.....	\$25,919.00
HST Registration No. 835718024RT0001	\$3,369.47
Total Amount Due this Period.....	\$29,288.47
Total Amount Due.....	<u>\$29,288.47</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

March 16, 2022
FTI Invoice No. 29005288
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through March 13, 2022

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$1,020.00	8.0	\$8,160.00
Jodi Porepa	Managing Director	\$910.00	9.6	\$8,736.00
Hrvoje Muhek	Senior Director	\$810.00	1.5	\$1,215.00
Graham McIntyre	Senior Consultant	\$610.00	12.8	\$7,808.00
Total Hours and Fees			31.9	\$25,919.00
HST Registration No. 835718024RT0001				\$3,369.47
Invoice Total for Current Period				\$29,288.47

PROFESSIONAL SERVICES

Jeffrey Rosenberg

03/07/22	Work on employee matters; work on WEPP matters; work on file finalization matters.	2.00	
03/08/22	File finalization matters; review of WEPP matters; review of correspondence.	2.00	
03/09/22	Work on employee matters; work on file finalization matters.	1.50	
03/10/22	Work on file finalization matters including notice to employees and creditors.	1.50	
03/11/22	Review of correspondence; work on distribution matters; attend call with management; review of correspondence.	1.00	
	\$1,020.00 per hour x total hrs of	8.00	\$8,160.00

Jodi Porepa

03/07/22	Call with company counsel; call with management; review template for Service Canada; discussions in respect of same.	2.50	
03/08/22	Internal discussion regarding analysis; respond to Pyxus enquiry; review and update analysis.	1.50	
03/10/22	Review proposed disbursements; review variance analysis; review distribution analysis; review financial reconciliation; follow up on Pyxus claim.	3.40	
03/11/22	Review proposed disbursements; review variance analysis; review distribution analysis; review financial reconciliation; follow up on Pyxus claim.	2.20	
	\$910.00 per hour x total hrs of	9.60	\$8,736.00

Hrvoje Muhek

03/09/22	Update and distribute the EI template workbook to Service Canada.	0.40	
03/10/22	FTI status update call to discuss outstanding items related to distributions and WEPP filing.	0.50	
03/10/22	Review and provide comments with respect to employee and non-employee distribution notices.	0.60	
	\$810.00 per hour x total hrs of	1.50	\$1,215.00

Graham McIntyre

03/07/22	Internal discussions regarding termination and severance for employee claims; review of prior week variance analysis; discussions with counsel and Company regarding distribution process.	2.50	
03/08/22	Processing weekly funding wire; preparing a summary of estimated distributions to Pyxus; communication to Company to pay certain invoices; analysis and discussions related to termination and severance breakdown.	1.50	
03/09/22	Review of prior week variance analysis; review of outstanding cash balances and admin reserve; communication with Company regarding the breakdown of principal and interest of Pyxus claim; updates to Service Canada employee worksheet.	3.50	
03/10/22	Review of disbursements and funding requests for the following week; distribution analysis as it relates to Pyxus claim; internal discussions regarding distribution and WEPP process.	2.50	
03/11/22	Updating distribution of proceeds analysis; preparing distribution summary for Pyxus; review of Company's breakdown of principal and interest for Pyxus claim; review of professional fees.	2.80	
	\$610.00 per hour x total hrs of	12.80	\$7,808.00



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

March 25, 2022

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005301

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through March 20, 2022.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', written over a blue ink line.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

March 25, 2022
FTI Invoice No. 29005301
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through March 20, 2022

	CAD (\$)
Professional Services.....	\$20,950.00
Expenses.....	\$0.00
Total Fees and Expenses.....	\$20,950.00
HST Registration No. 835718024RT0001	\$2,723.50
Total Amount Due this Period.....	\$23,673.50
Total Amount Due.....	<u>\$23,673.50</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

March 25, 2022
FTI Invoice No. 29005301
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through March 20, 2022

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$1,020.00	1.0	\$1,020.00
Jodi Porepa	Managing Director	\$910.00	15.6	\$14,196.00
Graham McIntyre	Senior Consultant	\$610.00	9.4	\$5,734.00
Total Hours and Fees			26.0	\$20,950.00
HST Registration No. 835718024RT0001				\$2,723.50
Invoice Total for Current Period				\$23,673.50

PROFESSIONAL SERVICES

Jeffrey Rosenberg

03/15/22	Call with management; call with legal counsel; correspondence with creditors; file finalization matters.	1.00	
	\$1,020.00 per hour x total hrs of	1.00	\$1,020.00

Jodi Porepa

03/14/22	Review and finalize distribution analysis; internal discussions regarding same; call with management; discussions with counsel in respect of same; review proposed disbursements; review and finalize analysis for Pyxus.	2.50	
03/15/22	Review variance analysis; review updated distribution analysis; review Admin Reserve balance; follow up in respect of same; follow up with Service Canada; review reconciliation between updated analysis and bank balances.	3.00	
03/16/22	Review updated financial analysis and provide comments; call with counsel regarding transfer of funds and distribution; review outstanding tax issues; follow up on EY requests.	3.50	
03/17/22	Review proposed disbursements; review and discuss internally next steps for Service Canada; follow up on outstanding tax matters; internal discussions regarding same.	3.00	
03/18/22	Review updated distribution analysis; call with Service Canada to discuss WEPPA; call with management regarding withholding tax issues; call to discuss transfer of funds and distributions; internal discussions in respect of same.	3.60	
	\$910.00 per hour x total hrs of	15.60	\$14,196.00

Graham McIntyre

03/14/22	Distribution of proceeds analysis and preparing summary for Pyxus; discussion with Company and counsel to discuss closing matters and distribution process.	2.80	
03/15/22	Review of prior week variance analysis; review of outstanding cash balances and admin reserve; preparing transaction requisition forms for banking purposes; processing weekly funding wire.	3.80	
03/17/22	Review of disbursements and funding requests for the following week; discussions with counsel regarding certain claims; review of professional fees; assisting Company compile information for tax filing purposes.	2.00	
03/18/22	Discussions with counsel and Company regarding distribution process; internal discussions regarding engagement matters.	0.80	
	\$610.00 per hour x total hrs of	9.40	\$5,734.00



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

March 30, 2022

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005306

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through March 27, 2022.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', written over a blue arrow pointing downwards and to the right.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

March 30, 2022
FTI Invoice No. 29005306
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through March 27, 2022

	<i>CAD (\$)</i>
Professional Services.....	\$26,835.00
Expenses.....	\$0.00
Total Fees and Expenses.....	\$26,835.00
HST Registration No. 835718024RT0001	\$3,488.55
Total Amount Due this Period.....	\$30,323.55
Total Amount Due.....	<u>\$30,323.55</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

March 30, 2022
FTI Invoice No. 29005306
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through March 27, 2022

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$1,020.00	11.5	\$11,730.00
Jodi Porepa	Managing Director	\$910.00	12.4	\$11,284.00
Hrvoje Muhek	Senior Director	\$810.00	0.5	\$405.00
Graham McIntyre	Senior Consultant	\$610.00	5.6	\$3,416.00
Total Hours and Fees			30.0	\$26,835.00
HST Registration No. 835718024RT0001				\$3,488.55
Invoice Total for Current Period				\$30,323.55

PROFESSIONAL SERVICES

Jeffrey Rosenberg

03/21/22	Attend call with Cassels and Bennett Jones; attend call with Bennett Jones; review of files; review of variance analysis.	2.50	
03/22/22	Attend call with Pyxus and Bennett Jones; review of files regarding same; review of tax issues.	1.50	
03/23/22	Attend call with Management; attend call with Bennett Jones; file finalization matters; work on Service Canada issues.	2.50	
03/24/22	Review of funding; review of employee matters; attend calls with management.	2.50	
03/25/22	Call with management; call with former employees; call with Cassels; call with Bennett Jones; call with Bennett Jones and Pyxus.	2.50	
	\$1,020.00 per hour x total hrs of	11.50	\$11,730.00

Jodi Porepa

03/21/22	Review variance analysis; provide comments on variance analysis; discuss next steps.	2.30	
03/22/22	Review tax issues; discussions in respect of same; review updated distribution analysis; provide comments in respect of the same.	2.60	
03/23/22	Internal discussions on Service Canada and WEPPA; internal discussions on outstanding issues with Pyxus.	1.90	
03/24/22	Review proposed disbursements; review updated financial analysis; review distribution analysis.	3.00	
03/25/22	Review revised financial analyses; provide comments in respect of the same; review claims register; review reconciliation for Pyxus.	2.60	
	\$910.00 per hour x total hrs of	12.40	\$11,284.00

Hrvoje Muhek

03/24/22	Internal FTI status update call on contemplated distributions and WEPPA filing.	0.50	
	\$810.00 per hour x total hrs of	0.50	\$405.00

Graham McIntyre

03/22/22	Processing weekly funding wire.	0.30	
03/23/22	Review of prior week variance analysis; review of outstanding cash balances and administration reserve.	3.50	
03/24/22	Discussions with counsel and Company regarding distribution process; internal discussions regarding engagement matters; review of disbursements and funding requests for the following week.	1.30	
03/25/22	Updating distribution of proceeds analysis.	0.50	
	\$610.00 per hour x total hrs of	5.60	\$3,416.00



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

March 31, 2022

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005312

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through March 31, 2022.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', with a blue arrow pointing to the right.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

March 31, 2022
FTI Invoice No. 29005312
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through March 31, 2022

	<i>CAD (\$)</i>
Professional Services.....	\$30,095.00
Expenses.....	\$0.00
Total Fees and Expenses.....	\$30,095.00
HST Registration No. 835718024RT0001	\$3,912.35
Total Amount Due this Period.....	\$34,007.35
Total Amount Due.....	<u>\$34,007.35</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

March 31, 2022
FTI Invoice No. 29005312
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through March 31, 2022

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$1,020.00	11.0	\$11,220.00
Jodi Porepa	Managing Director	\$910.00	13.1	\$11,921.00
Graham McIntyre	Senior Consultant	\$610.00	11.4	\$6,954.00
Total Hours and Fees			35.5	\$30,095.00
HST Registration No. 835718024RT0001				\$3,912.35
Invoice Total for Current Period				\$34,007.35

PROFESSIONAL SERVICES

Jeffrey Rosenberg

03/28/22	Attend call with Bennett Jones; attend call with Cassels; attend call with Bennett Jones and Cassels; file finalization matters.	3.00	
03/29/22	Work on tax matters; work on file finalization matters; correspondence from company; correspondence from Bennett Jones; approval of payments.	3.00	
03/30/22	Work on file finalization matters; work on tax matters; correspondence with legal counsel; attend service Canada call; work on WEPP matters.	2.50	
03/31/22	Work on file finalization matters; work on tax matters; correspondence with legal counsel; attend service Canada call; work on WEPP matters.	2.50	
	\$1,020.00 per hour x total hrs of	11.00	\$11,220.00

Jodi Porepa

03/28/22	Review proposed disbursements; review variance analysis and provide comments; review updated distribution analysis; review other financial analysis; status update on WEPPA; discussion regarding bankruptcy estates and next steps; correspondence with Service Canada regarding WEPPA and upcoming bankruptcies; internal status update.	3.50	
03/29/22	Review proposed disbursements; review variance analysis and provide comments; review updated distribution analysis; review other financial analysis; status update on WEPPA; discussion regarding bankruptcy estates and next steps; correspondence with Service Canada regarding WEPPA and upcoming bankruptcies; internal status update.	3.00	
03/30/22	Review proposed disbursements; review variance analysis and provide comments; review updated distribution analysis; review other financial analysis; status update on WEPPA; discussion regarding bankruptcy estates and next steps; correspondence with Service Canada regarding WEPPA and upcoming bankruptcies; internal status update.	3.20	
03/31/22	Review proposed disbursements; review variance analysis and provide comments; review updated distribution analysis; review other financial analysis; status update on WEPPA; discussion regarding bankruptcy estates and next steps; correspondence with Service Canada regarding WEPPA and upcoming bankruptcies; internal status update.	3.40	
	\$910.00 per hour x total hrs of	13.10	\$11,921.00

Graham McIntyre

03/28/22	Review of prior week variance analysis; review and discussions regarding distribution analysis and updates to analysis; updates to distribution summary schedules; processing wire for weekly funding.	2.80	
03/28/22	Cash flow matters; review of creditor agreements and amendments uploaded to data room.	2.00	
03/30/22	Review of prior week variance analysis; review of outstanding cash balances and administration reserve; review of professional fees; communication with counsel regarding court report and fee applications; communication with Company regarding accounting matters.	3.30	

Invoice Activity

03/31/22	Preparing bankruptcy checklist and drafting bankruptcy materials; internal discussions regarding CCAA closing matters.	3.30		
			\$610.00 per hour x total hrs of	
			11.40	\$6,954.00



FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K1G8

April 13, 2022

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

Re: FTI Job No. 480597.0001
Invoice # 29005339

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through April 10, 2022.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey Rosenberg', with a long horizontal stroke extending to the right.

Jeffrey Rosenberg
Senior Managing Director

Enclosures



Invoice Remittance

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

April 13, 2022
FTI Invoice No. 29005339
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through April 10, 2022

	CAD (\$)
Professional Services.....	\$45,940.00
Expenses.....	\$0.00
Total Fees and Expenses.....	\$45,940.00
HST Registration No. 835718024RT0001	\$5,972.20
Total Amount Due this Period.....	\$51,912.20
Total Amount Due.....	<u>\$51,912.20</u>

Please Wire Transfer To:

Bank of Nova Scotia
Scotia Plaza, 44 King Street West
Toronto, ONT M5H 1H1
Swift Code: NOSCCATT
Bank Number: 002
Beneficiary: FTI Consulting Canada Inc.
Beneficiary account number: 476960861715



Invoice Summary

FIGR Brands, Inc.
2225 Sheppard Ave E., Suite 903
Toronto, ON M2J 5C2
Canada

April 13, 2022
FTI Invoice No. 29005339
FTI Job No. 480597.0001
Terms: Payment on Presentation

Current Invoice Period: Charges Posted through April 10, 2022

Name	Title	Rate	Hours	Total
Jeffrey Rosenberg	Senior Managing Director	\$1,020.00	11.5	\$11,730.00
Jodi Porepa	Managing Director	\$910.00	26.6	\$24,206.00
Graham McIntyre	Senior Consultant	\$610.00	16.4	\$10,004.00
Total Hours and Fees			54.5	\$45,940.00
HST Registration No. 835718024RT0001				\$5,972.20
Invoice Total for Current Period				\$51,912.20

PROFESSIONAL SERVICES
Jeffrey Rosenberg

04/01/22	Prepare for attend wind up call; review of funding; review of distribution schedules.	3.00	
04/04/22	Review of tax and winding up matters.	1.00	
04/06/22	Work on revised distribution analysis.	1.00	
04/07/22	Attend calls with management; work on file finalization matters; review of draft court documents; review of flow of funds; work on tax matters.	3.00	
04/08/22	Call with management; review of funding; attend update call with Chaitons; review of financial analysis; review of distribution analysis.	3.50	
		\$1,020.00 per hour x total hrs of	11.50 \$11,730.00

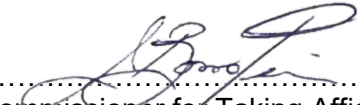
Jodi Porepa

04/01/22	Review draft bankruptcy documents; attend tax call with management, EY and Bennett Jones; discuss tax implications; discuss impact to distribution calculation; review proposed disbursements; discussion bankruptcy documents required; review bankruptcy checklist.	3.30	
04/04/22	Review draft bankruptcy documents; correspondence regarding WEPPA; review updated variance analysis; review updated distribution analysis; review next steps regarding distribution calculations.	4.00	
04/05/22	Review draft bankruptcy documents; review upcoming documents being prepared for bankruptcy; review communication documents and provide comments.	3.80	
04/06/22	Weekly call with management; review distribution analysis; review draft Order; review variance analysis; review and finalize communication regarding distributions.	4.00	
04/07/22	Call with management; internal call to discuss the same; review purchase documents and review flow of funds analysis for each transaction; review final reconciliation for transfer of funds.	5.00	
04/08/22	Prepare consolidated flow of funds analysis; review final reconciliation for transfer of funds; review reconciliation to bank.	6.50	
		\$910.00 per hour x total hrs of	26.60 \$24,206.00

Graham McIntyre

04/01/22	Preparing bankruptcy filing documents.	1.00	
04/04/22	Updates to distribution analysis; preparing documents for bankruptcy administration; correspondence to Claimants from Monitor's hotline.	1.30	
04/05/22	Processing wire for weekly disbursement funding; updating professional fee summary and correspondence regarding court reports; updates to distribution analysis.	2.50	
04/06/22	Review of prior week variance analysis; review of the outstanding cash balances and administration reserve.	3.30	
04/07/22	Updates to distribution analysis and Pyxus summary.	2.50	
04/08/22	Internal discussions regarding bankruptcy preparation; updating distribution analysis.	5.80	
		\$610.00 per hour x total hrs of	16.40 \$10,004.00

This is Exhibit "B" referred to in the affidavit of Jeffrey Rosenberg, sworn before me by videoconference on April 14, 2022 in accordance with O.Reg. 431/20. The affiant was located in the City of Toronto in the Province of Ontario and I was located in the City of Toronto in the Province of Ontario



.....
A Commissioner for Taking Affidavits

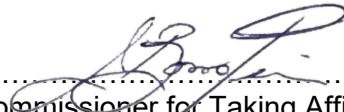
Commissioner Name: Jeremy Bornstein
Law Society of Ontario Number: 65425C

EXHIBIT "B"
Calculation of Average Hourly Billing Rates of
FTI Consulting Canada Inc.
for the period January 17, 2022 to April 10, 2022

Invoice No./ Period	Fees (\$)	Expenses (\$)	HST (\$)	Total Fees, Disbursements and HST (\$)	Hours Billed	Average Billed Rate (\$)
29005203 (January 17, 2022 to January 23, 2022)	56,873.50	nil	7,393.56	64,267.06	65.7	865.65
29005220 (January 24, 2022 to January 31, 2022)	94,709.50	nil	12,312.24	107,021.74	109.3	866.50
29005235 (February 1, 2022 to February 6, 2022)	36,056.00	nil	4,687.28	40,743.28	43.4	830.78
29005244 (February 7, 2022 to February 13, 2022)	56,755.50	nil	7,378.22	64,133.72	68.2	832.19
29005248 (February 14, 2022 to February 20, 2022)	51,345.00	nil	6,674.85	58,019.85	63.8	804.78
29005269 (February 22, 2022 to February 28, 2022)	43,184.00	nil	5,613.92	48,797.92	53.4	808.69

Invoice No./ Period	Fees (\$)	Expenses (\$)	HST (\$)	Total Fees, Disbursements and HST (\$)	Hours Billed	Average Billed Rate (\$)
29005280 (March 1, 2022 to March 6, 2022)	35,226.00	nil	4,579.38	39,805.38	42.1	836.72
29005288 (March 7, 2022 to March 13, 2022)	25,919.00	nil	3,369.47	29,288.47	31.9	812.51
29005301 (March 14, 2022 to March 20, 2022)	20,950.00	nil	2,723.50	23,673.50	26	805.77
29005306 (March 21, 2022 to March 27, 2022)	26,835.00	nil	3,488.55	30,323.55	30	894.50
29005312 (March 28, 2022 to March 31, 2022)	30,095.00	nil	3,912.35	34,007.35	35.5	847.75
29005339 (April 1, 2022 to April 10, 2022)	45,940.00	nil	5,972.20	51,912.20	54.5	842.94
Total	523,888.50	nil	68,105.52	591,994.02	623.8	839.83

This is Exhibit "C" referred to in the affidavit of Jeffrey Rosenberg, sworn before me by videoconference on April 14, 2022 in accordance with O.Reg. 431/20. The affiant was located in the City of Toronto in the Province of Ontario and I was located in the City of Toronto in the Province of Ontario


.....
A Commissioner for Taking Affidavits

Commissioner Name: Jeremy Bornstein
Law Society of Ontario Number: 65425C

EXHIBIT "C"

Billing Rates of FTI Consulting Canada Inc.

For the period January 17, 2022 to April 10, 2022

CCAA

Title	Professional	Rate (\$)	Fees Billed (\$)	Hours Worked
Senior Managing Director	Jeffrey Rosenberg	1,020.00	151,572.00	148.6
Managing Director	Jodi Porepa	910.00	218,218.00	239.8
Senior Consultant	Graham McIntyre	610.00	119,377.00	195.7
Senior Director	Hrvoje Muhek	810.00	12,312.00	15.2
Executive Assistant I	Kathleen Foster	145.00	246.5	1.7

Sales Process

Title	Professional	Rate (\$)	Fees Billed (\$)	Hours Worked
Senior Managing Director	Adam Zalev	1,085.00	8,680.00	8.0
Senior Managing Director	James Belcher	935.00	12,903.00	13.8
Senior Consultant	Patrick Kennedy	580.00	580.00	1.0

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 FIGR BRANDS, INC., FIGR NORFOLK INC.
AND 1307849 B.C. LTD.**

Court File No. CV-21-00655373-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding Commenced at TORONTO

**FEE AFFIDAVIT OF JEFFREY ROSENBERG
SWORN APRIL 14, 2022**

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

Ryan Jacobs LSO #: 59510J
Tel: 416.860.6465
E-mail: rjacobs@cassels.com

Jane O. Dietrich, LSO #: 49302U
Tel: 416.860.5223
E-mail: jdietrich@cassels.com

Lawyers for FTI Consulting Canada Inc., in its capacity as
Monitor

APPENDIX "C"

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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 FIGR
BRANDS, INC., FIGR NORFOLK INC. AND 1307849 B.C. LTD.
(collectively, the "**Applicants**")

**AFFIDAVIT OF RYAN JACOBS
(sworn April 14, 2022)**

I, Ryan Jacobs, of the City of Toronto, in the Province of Ontario, MAKE OATH AND
SAY:

1. I am a lawyer qualified to practice law in Ontario and a Partner with Cassels Brock & Blackwell LLP ("**Cassels**"), counsel for FTI Consulting Canada Inc., in its capacity as Monitor (the "**Monitor**") of the Applicants, as appointed pursuant to the Initial Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated January 21, 2021 as amended and restated from time to time. As such, I have knowledge of the matters to which I depose except where stated to be on information and belief, and where so stated, I verily believe it to be true.

2. Pursuant to the Ancillary Order dated February 22, 2021, the Court approved the fees and disbursements, including Harmonized Sales Tax ("**HST**"), of Cassels in the amount of \$109,737.13 incurred during the period from January 22, 2021 to February 12, 2021. Pursuant to the DIP Amendment and Fee Approval Order dated March 31, 2021, the Court approved the fees and disbursements, including HST, of Cassels in the amount of \$133,747.00 incurred during the period principally from February 13, 2021 to March 14, 2021. Pursuant to the Stay Extension and Fee Approval Order dated April 30, 2021, the Court approved the fees and disbursements, including HST, of Cassels in the amount of \$246,264.20 incurred during the period principally from March 15, 2021 to April 18, 2021. Pursuant to the Ancillary Order dated June 10, 2021, the Court approved the fees and disbursements, including HST, of Cassels in the amount of \$229,147.62 incurred during the

period principally from April 19, 2021 to May 14, 2021. Pursuant to the Stay Extension, Norfolk KERP, Sealing, & Monitor Fee Approval Order dated August 24, 2021, the Court approved the fees and disbursements, including HST, of Cassels in the amount of \$279,346.75 incurred during the period principally from May 1, 2021 to August 8, 2021. Pursuant to the Stay Extension and Monitor Fee Approval Order dated October 19, 2021, the Court approved the fees and disbursements, including HST, of Cassels in the amount of \$44,610.14 incurred during the period principally from August 9, 2021 to September 29, 2021. Pursuant to the Stay Extension, Distribution, WEPPA and Fee Approval Order dated February 2, 2022, the Court approved the fees and disbursements, including HST, of Cassels in the amount of \$49,779.90 incurred during the period principally from September 30, 2021 to December 31, 2021.

3. During the period principally from January 1, 2022 to April 8, 2022, Cassels incurred fees and disbursements, including HST, in the amount of \$146,579.66. Particulars of the work performed are contained in the invoices (the “**Invoices**”, each an “**Invoice**”) attached hereto and marked as **Exhibit “A”** to this affidavit.

4. Attached as **Exhibit “B”** is a schedule summarizing each Invoice in **Exhibit “A”**, the total billable hours charged per Invoice, the total fees charged per Invoice and the average hourly rate charged per Invoice. The average hourly rate charged by Cassels is \$692.19.

5. Attached as **Exhibit “C”** is a schedule summarizing the respective years of call and billing rates of each individual at Cassels who acted for the Monitor, as the case may be.

6. To complete the remaining activities in respect of these proceedings, Cassels and the Monitor estimate that they will incur up to \$300,000 plus HST in fees and disbursements (the “**Estimated Remaining Fees**”). Cassels and the Monitor therefore seek approval of the Estimated Remaining Fees, in addition to the approval of actual fees to date. By seeking approval in advance for the Estimated Remaining Fees, Cassels and the Monitor will avoid the need to bring a separate fee approval motion later, which will minimize further professional fees.


7. For the sake of clarity, to the extent that the actual future fees of Cassels and the Monitor are less than the Estimated Remaining Fees, both Cassels and the Monitor will only charge the lesser amount.

8. To the best of my knowledge, the rates charged by Cassels throughout the course of these proceedings are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services, and the rates charged by Cassels for services rendered in similar proceedings.


9. I make this affidavit in support of a motion for, *inter alia*, approval of the fees and disbursements of counsel of the Monitor, and for no other or improper purpose.

SWORN BEFORE ME by video conference on this 14th day of April 2022. The affiant and I both were located the City of Toronto in the Province of Ontario. This affidavit was commissioned remotely in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.





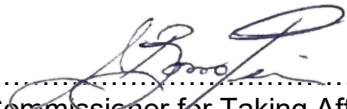
A commissioner for Taking Affidavits
(or as may be)



RYAN JACOBS

Commissioner Name: Jeremy Bornstein
Law Society of Ontario Number: 65425C

This is Exhibit "A" referred to in the affidavit of Ryan Jacobs, sworn before me by videoconference on April 14, 2022 in accordance with O. Reg. 431/20. The affiant was located in the City of Toronto in the Province of Ontario and I was located in the City of Toronto in the Province of Ontario.


.....
A Commissioner for Taking Affidavits

Commissioner Name: Jeremy Bornstein
Law Society of Ontario Number: 65425C

EXHIBIT "A"

**True Copies of the Invoices issued to the Monitor
for fees and disbursements incurred by
Cassels Brock & Blackwell LLP**

Cassels

Attn: Jeff Rosenberg
FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010
Toronto, ON M5K 1G8

Invoice No: 2160250
Date: February 15, 2022
Matter No.: 055118-00001
GST/HST No.: R121379572
Lawyer: Jacobs, Ryan
Tel.: (416) 860-6465
E-mail: RJacobs@cassels.com

Re: FIGR - Restructuring

Fees for professional services rendered up to and including January 31, 2022

Our Fees	82,125.50
HST @ 13.00%	10,676.32
TOTAL DUE (CAD)	92,801.82

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Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE: Email payment details to payments@cassels.com

CAD EFT and Wire Payments:

Bank of Nova Scotia
44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 47696 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:

Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Scotia Plaza, Suite 2100, 40 King Street West
Toronto, Ontario, M5H 3C2 Canada

Online Bill Payments:

Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter #

Invoice No: 2160250
Matter No.: 055118-00001
Amount: **CAD 92,801.82**

e-Transfer Payments: payments@cassels.com

Credit Card Payments: payments.cassels.com

FEE DETAIL			
Date	Name	Description	Hours
Jan-01-22	J. Dietrich	Review of amendment to amendment and email exchange regarding same;	0.40
Jan-03-22	J. Dietrich	Work on draft of Eighth Monitor's Report;	4.40
Jan-03-22	W. Onyeaju	Research on WEPP.	1.50
Jan-04-22	J. Dietrich	Work on draft of Eighth Report and email exchange with FTI regarding call to discuss same;	2.20
Jan-04-22	W. Onyeaju	Conducting research and draft findings on WEPPA.	2.90
Jan-05-22	J. Dietrich	Discussion with J. Rosenberg and J. Porepa regarding report;	1.00
Jan-07-22	J. Dietrich	Discussion with J. Rosenberg regarding status; exchange of email regarding status;	0.50
Jan-08-22	J. Dietrich	Review of correspondence from purchaser and consider issues;	0.40
Jan-09-22	J. Dietrich	Discussion with J. Rosenberg; participate in discussion with Bennett Jones; review of draft correspondence and consider issues;	1.20
Jan-09-22	J. Bornstein	Analyze and revise letter to Purchaser's counsel draft by Vendor's counsel; Analyze purchase agreement and amendment re same; Emails with J. Dietrich re same;	1.30
Jan-10-22	J. Dietrich	Various discussions and comments on draft termination letter;	1.10
Jan-10-22	J. Bornstein	Consider email from W Onyeaju regarding WEPP; Emails regarding revised letter to Norfolk purchaser terminating purchase agreement;	0.20
Jan-10-22	W. Onyeaju	Conducting research on recent amendments to WEPPA.	1.10
Jan-11-22	J. Dietrich	Discussion with J. Rosenberg regarding status and strategy; discussion with A. Mersky regarding potential litigation and issues; discussion with BJ and FTI regarding status and strategy; review of draft letter and consider same;	2.30
Jan-11-22	A. Merskey	Discussion with J. Dietrich regarding purchase transaction closing issues; reviewing related correspondence; call with Bennett Jones and FTI regarding next steps; review draft correspondence;	1.70
Jan-11-22	J. Bornstein	Emails regarding February 2 motion and Norfolk closing; Analyze correspondence from purchaser's counsel re Norfolk agreement termination and closing; Call with Monitor and Vendor's counsel re same; Email to J Dietrich regarding WEPP and analyze commentary regarding same; Analyze draft letter from Vendor's counsel to Purchaser's counsel regarding potential settlement and closing; Emails with Cassels team regarding same;	1.40
Jan-12-22	J. Dietrich	Comment on draft letter and email regarding same; discussion with J. Rosenberg regarding status; follow up discussion with J. Rosenberg; review of revised draft correspondence and provide additional comments; review of correspondence from R. Atkinson; review of draft response from BJ and provide comments; discussion with J.	2.40

Date	Name	Description	Hours
Jan-12-22	A. Merskey	Rosenberg; email regarding correspondence; Review and revise responses to purchaser; related emails; call with J. Dietrich and J. Rosenberg regarding same; consider strategic issues;	0.60
Jan-13-22	K. Taylor	Review and respond to email from Graham McIntyre regarding vacation pay issues.	0.30
Jan-13-22	J. Dietrich	Review of emails and various discussions regarding amended closing terms; discussion with J. Rosenberg, R. Atkinson and M. Shakra;	0.70
Jan-13-22	A. Merskey	Review and consider reinstatement correspondence; related emails;	0.40
Jan-14-22	J. Bornstein	Analyze and revise Fifth Amendment; Emails from and to Bennett Jones team re same; Emails from and to J Dietrich re same;	1.30
Jan-14-22	J. Dietrich	Review and comment on draft 5th Amendment; email exchange regarding 5th Amendment and status;	1.00
Jan-16-22	J. Bornstein	Analyze revised closing documents circulated by Vendor's counsel;	0.20
Jan-17-22	J. Dietrich	Review of email and Exchange of messages regarding status;	0.30
Jan-18-22	J. Dietrich	Review of email; discussion regarding status with J. Rosenberg; discussion regarding status and EPIC settlement;	0.80
Jan-18-22	J. Bornstein	Email from Bennett Jones team regarding revised Epic settlement agreement and analyze same; Call with FTI and Bennett Jones team re same;	0.30
Jan-19-22	J. Bornstein	Emails from Bennett Jones team and Norfolk purchaser's counsel regarding closing in escrow; Analyze executed documents re same;	0.20
Jan-19-22	J. Dietrich	Discussion regarding status and amendment changes;	0.20
Jan-20-22	J. Dietrich	Exchange of email regarding report and status; Review of revised draft report and email regarding motion coordination; Email exchange regarding landlord claim; Review of email and discussion with J. Bornstein and W. Onyeaju regarding upcoming motion;	1.10
Jan-20-22	J. Bornstein	Call with Cassels team regarding preparation for February 2nd motion; Begin analysis of draft eighth report of the Monitor; Emails to and from W Onyeaju regarding preparing Monitor's certificate;	0.50
Jan-20-22	W. Onyeaju	Meeting with J. Bornstein and J. Dietrich; reviewing preliminary FIGR report.	0.40
Jan-21-22	W. Onyeaju	Reviewing preliminary report; drafting materials for Stay Extension.	1.60
Jan-21-22	J. Bornstein	Analyze and prepare comments on draft eighth monitor's report; Email from Bennett Jones team regarding draft affidavit for February 2nd motion; Email to and call with W Onyeaju re same and preparing fee approval and service materials;	1.80

Date	Name	Description	Hours
Jan-21-22	J. Dietrich	Discussion with M. Shakra regarding motion; Discussion with J. Rosenberg regarding motion status;	0.40
Jan-21-22	R. Jacobs	Correspondence with Cassels team regarding transaction status and report. Work on same.	1.30
Jan-22-22	J. Bornstein	Analyze and comment on Devon affidavit; Analyze court orders and Norfolk purchase agreement and amending agreements re same; Call with and emails from and to J Dietrich re same; Call with and emails from and to Onyeaju re same;	2.80
Jan-22-22	W. Onyeaju	Drafting motion materials for Stay Extension; correspondence to FTI.	0.90
Jan-22-22	J. Dietrich	Review of draft affidavit and provide comments; Email exchange regarding document status;	0.60
Jan-23-22	J. Dietrich	Review of draft order and provide comments; Work on revisions to draft report; Discussion with FTI and Cassels regarding motion material; Exchange of email with Bennett Jones;	2.60
Jan-23-22	J. Bornstein	Analyze and comment on draft eighth report; Analyze and comment on draft order; Analyze and revise comments on draft affidavit; Emails to and from Cassels team re report and order; Call with Monitor team re same; Emails to and from Bennett Jones team re comments to affidavit;	6.30
Jan-23-22	W. Onyeaju	Drafted fee affidavit documents; updating draft of Eighth Monitor's report with invoice data.	4.00
Jan-24-22	J. Dietrich	Review and discussion regarding draft report and comments on draft order; review of email regarding settlement; review of email regarding closing status; discussion with J. Rosenberg; exchange of email regarding status;	3.70
Jan-24-22	W. Onyeaju	Revising Fee Affidavit; revising Affidavit of Service; call with J. Bornstein;	2.90
Jan-24-22	J. Bornstein	Revise draft order; Revise Eighth Report; Emails to and from and calls with J Dietrich re same; Emails to and from FTI team re same; Email to Bennett Jones team regarding comments to Order; Emails to and from and call with W Onyeaju regarding fee affidavits, affidavit of service and monitor's certificate; Analyze and provide comments regarding same;	7.00
Jan-24-22	R. Jacobs	Work on report.	1.00
Jan-25-22	J. Bornstein	Call with FTI and Bennett Jones teams regarding WEPPA; Call with FTI and Bennett Jones teams regarding February 2 Motion; Emails from and to FTI team regarding same; Emails from Bennett Jones and FTI team regarding Norfolk closing documents; Analyze and revise draft order from FTI team; Emails to and from W Onyeaju regarding service list update and fee affidavits;	1.30
Jan-25-22	J. Dietrich	Review of email; discussion with J. Rosenberg; discussion with J. Rosenberg; discussion with J. Rosenberg regarding status; discussion with FTI and BJ regarding motion material	2.60

Date	Name	Description	Hours
		and strategy; review of revised order and email exchange regarding same; review of outstanding issues;	
Jan-25-22	W. Onyeaju	Revising Fee Affidavits; correspondence with FTI.	4.30
Jan-26-22	W. Onyeaju	Commissioning Cassels Fee Affidavit; creating Affidavit packages for FTI and Cassels; email correspondence with FTI; reviewing motion materials; drafting Monitor's Certificate; drafting Affidavit of Service; updating Service List.	6.30
Jan-26-22	J. Dietrich	Review of draft affidavits and comment on same; review of various emails regarding status of closing and motion material; discussion with WEPPA government personnel; discussion with FTI; review of email;	2.00
Jan-26-22	R. Jacobs	Review Company materials. Finalizing draft report. Review and comment on affidavit and video conference with W. Onyeaju.	1.00
Jan-26-22	J. Bornstein	Analyze and instructions to W Onyeaju regarding service list, affidavit of service and monitor's certificate; Call with Service Canada re WEPPA; Analyze materials received from Service Canada and emails re same; Analyze WEPPA and regulations re same; Emails regarding Norfolk transaction closing; Instructions regarding preparing appendices for Monitor's report; Emails from FTI and Bennett Jones team regarding finalizing monitor's report and affidavit;	2.00
Jan-27-22	W. Onyeaju	Commissioning Rosenberg Affidavit; email correspondence with FTI; finalizing Eighth Report of the Monitor; delivering Eighth Report to the Service List.	6.70
Jan-27-22	J. Bornstein	Analyze and revise Monitor's report and appendices; Emails to and from and calls with Monitor team re same; Emails to and from and calls with Cassels team re same; Analyze and comment on service email; Closing call with Norfolk purchaser team, Bennett Jones and Monitor team; Emails regarding Epic settlement; Instructions to W Onyeaju regarding finalizing Monitor's report and service; Commission affidavit of service; Instructions to A Maciel regarding filing;	8.00
Jan-27-22	J. Dietrich	Review of draft report and provide additional comments; review of service email and provide comments; discussion regarding closing issues; discussion regarding closing with purchaser's counsel; review of email; discussion with J. Rosenberg regarding outstanding issues; review of additional emails regarding final report and service;	4.30
Jan-27-22	R. Jacobs	Finalize draft report. Correspondence with Cassels team regarding same.	0.90
Jan-28-22	J. Bornstein	Emails regarding filing Monitor's report; Analyze FIGR Norfolk closing documents; Closing call re same; Instructions to A Maciel regarding delivery and filing of Monitor's certificate; Delivery of Monitor's certificate to counsel for Norfolk Vendor and Purchaser; Draft service email re same; Emails to and from Cassels team regarding	1.30

Date	Name	Description	Hours
		service and closing matters;	
Jan-28-22	R. Jacobs	Address transaction issues and prep for hearing. Correspondence with J. Dietrich regarding same.	1.60
Jan-28-22	J. Dietrich	Review and exchange of email regarding outstanding issues; discussion regarding closing and follow up email regarding same; correspondence with R. Jacobs regarding issues;	1.20
Jan-29-22	J. Bornstein	Analyze and revise factum; Emails from and to Bennett Jones team re same; Emails to and from FTI and Cassels team re same; Analyze and revise factum;	1.60
Jan-29-22	J. Dietrich	Review of draft factum and provide comments on same; follow up regarding factum comments; correspondence with R. Jacobs regarding issues;	0.60
Jan-30-22	J. Bornstein	Emails from and to FTI team regarding applicants' factum; Revise factum re same; Email to Bennett Jones team re comments on factum; Instructions to A Maciel regarding access to case lines for motion date;	0.20
Jan-30-22	J. Dietrich	Exchange of email regarding factum;	0.30
Jan-31-22	R. Jacobs	Prep for hearing. Correspondence with Cassels team regarding same.	0.80
Jan-31-22	J. Dietrich	Email exchange with J. Porepa;	0.20
Jan-31-22	J. Bornstein	Correspondence regarding delivery of Monitor's Report on Caselines; Instructions regarding serving Monitor's certificate re Norfolk Transaction; Emails from FTI and Service Canada team re WEPPA;	0.20
Jan-31-22	W. Onyeaju	Email correspondence with Bennett Jones; providing materials to the Service List.	0.30

FEE SUMMARY					
Name	Title	Hours	Rate	Amount	
Dietrich, Jane	Partner	38.50	900.00	34,650.00	
Taylor, Kristin	Partner	0.30	950.00	285.00	
Bornstein, Jeremy	Partner	37.90	640.00	24,256.00	
Merskey, Alan	Partner	2.70	870.00	2,349.00	
Jacobs, Ryan	Partner	6.60	1,150.00	7,590.00	
Onyeaju, William	Associate	32.90	395.00	12,995.50	
Total (CAD)		118.90		82,125.50	
Our Fees			82,125.50		
HST @ 13.00%			10,676.32		
TOTAL FEES & TAXES (CAD)				92,801.82	

Cassels Brock & Blackwell LLP
FTI Consulting - Toronto
Re: FIGR - Restructuring

Page 7 of 7
Invoice No: 2160250
Matter No. 055118-00001

TOTAL FEES	82,125.50
TOTAL TAXES	10,676.32
TOTAL FEES & TAXES (CAD)	92,801.82

Cassels

Attn: Jeff Rosenberg
FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010
Toronto, ON M5K 1G8

Invoice No: 2163305
Date: March 22, 2022
Matter No.: 055118-00001
GST/HST No.: R121379572
Lawyer: Jacobs, Ryan
Tel.: (416) 860-6465
E-mail: RJacobs@cassels.com

Re: FIGR - Restructuring

Fees for professional services rendered up to and including February 28, 2022

Our Fees	17,073.50
HST @ 13.00%	2,219.56
TOTAL DUE (CAD)	19,293.06

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Bank of Nova Scotia
44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 47696 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:

Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Scotia Plaza, Suite 2100, 40 King Street West
Toronto, Ontario, M5H 3C2 Canada

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Invoice No: 2163305
Matter No.: 055118-00001
Amount: **CAD 19,293.06**

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FEE DETAIL			
Date	Name	Description	Hours
Feb-01-22	K. Taylor	Review claim calculations and respond to email from Jodi Porepa.	0.20
Feb-01-22	J. Dietrich	Discussion with J. Rosenberg regarding status; review of email; discussion with J. Bornstein; email exchange regarding motion status;	0.50
Feb-02-22	J. Bornstein	Call with J Dietrich re hearing; Analyze signed order;	0.10
Feb-02-22	J. Dietrich	Preparation for and attendance at distribution motion; discussion regarding next steps;	1.20
Feb-04-22	K. Taylor	Review and respond to email from Jodi Porepa regarding vacation pay issue.	0.20
Feb-04-22	J. Dietrich	Review of email regarding employee issues;	0.10
Feb-07-22	K. Taylor	Review and respond to email from Graham McIntyre regarding vacation pay issue.	0.20
Feb-09-22	W. Onyeaju	Email correspondence with FTI.	0.20
Feb-10-22	J. Dietrich	Review and exchange of email regarding CCAA termination;	0.20
Feb-11-22	Z. Nurmohamed	Review correspondence. Meeting with J. Bornstein to discuss CCAA matters. Review documentation. Consider tax matters in connection with proposed distributions.	1.50
Feb-11-22	J. Dietrich	Discussion regarding CCAA termination motion timing; discussion with BJ, FTI and Cassels regarding motion timing;	1.00
Feb-11-22	R. Jacobs	Correspondence with J. Dietrich regarding status and timing.	0.30
Feb-11-22	J. Bornstein	Call with FTI and Cassels team regarding termination of CCAA proceedings and outstanding issues; Emails from FTI team and to and from Cassels team regarding tax issues; Call with Z Nurmohamed re same;	1.50
Feb-14-22	Z. Nurmohamed	Prepare preliminary tax comments regarding certain distributions.	0.80
Feb-14-22	J. Bornstein	Emails from and to Cassels tax team regarding distribution and employee termination pay tax issues;	0.20
Feb-15-22	J. Dietrich	Review of tax email; review of draft assignment agreements; discussion with J. Bornstein; discussion with J. Bornstein regarding tax issues and status;	0.70
Feb-15-22	J. Bornstein	Call with J Dietrich regarding tax issues and employee claim letters; Analyze employee claim letters; Emails to and from FTI team regarding tax issues and employee claim letters;	0.40
Feb-17-22	W. Onyeaju	Drafting the Ninth Report of the Monitor;	1.80
Feb-17-22	J. Bornstein	Call with FIGR and Cassels team regarding tax issues and March 29 motion; Emails to and from and call with W Onyeaju regarding instructions to prepare Monitor's report re termination of CCAA proceedings;	0.90
Feb-17-22	Z. Nurmohamed	Attend tax follow-up call with J. Dietrich, J. Bornstein, J. Porepa and J. Rosenberg to discuss various proposed distributions. Send follow-up correspondence to J. Porepa regarding the proposed distributions.	0.80

Date	Name	Description	Hours
Feb-17-22	J. Dietrich	Discussion with FTI and Cassels regarding distribution issues and status;	0.50
Feb-18-22	W. Onyeaju	Drafting the Ninth Report of the Monitor;	0.80
Feb-19-22	J. Bornstein	Analyze direction and assignment regarding employee distribution; Analyze comments from FTI re same and email J Dietrich re same; Analyze tax email from FTI team to Bennett Jones team;	0.40
Feb-20-22	J. Dietrich	Review of email;	0.20
Feb-20-22	W. Onyeaju	Drafting the Ninth Report of the Monitor;	1.90
Feb-21-22	W. Onyeaju	Drafting the Ninth Report of the Monitor;	1.50
Feb-22-22	J. Bornstein	Email from and call with W Onyeaju regarding draft report; Emails to and from J Porepa and J Dietrich regarding separation agreements and Alliance employee distribution direction and assignment; Analyze revise separation agreements; Email to J Dietrich re same;	0.40
Feb-22-22	W. Onyeaju	Drafting the Ninth Report of the Monitor;	3.00
Feb-23-22	W. Onyeaju	Reviewing shell draft Ninth Report of the Monitor; drafting shell fee affidavits for FTI and Cassels.	0.70
Feb-24-22	J. Dietrich	Review of email regarding separation agreement and direction;	0.30
Feb-24-22	J. Bornstein	Email from Bennett Jones team regarding revised assignment agreement and directions and issues regarding same;	0.10
Feb-25-22	J. Bornstein	Call with FTI and Bennett Jones team re employee claim and distribution issues; Call with J Dietrich re same and drafting monitor's report; begin to draft monitor's report;	2.00
Feb-25-22	J. Dietrich	Discussion regarding tax issues and distribution status; discussion regarding draft report;	0.80
Feb-25-22	Z. Nurmohamed	Meeting to discuss proposed distributions and related tax matters with company counsel.	0.50
Feb-28-22	J. Bornstein	Email from Bennett Jones regarding final draft separation letters and direction to pay and assignment agreement; Analyze same;	0.20

FEE SUMMARY				
Name	Title	Hours	Rate	Amount
Dietrich, Jane	Partner	5.50	900.00	4,950.00
Bornstein, Jeremy	Partner	6.20	640.00	3,968.00
Taylor, Kristin	Partner	0.60	950.00	570.00
Nurmohamed, Zahra	Partner	3.60	925.00	3,330.00
Jacobs, Ryan	Partner	0.30	1,150.00	345.00
Onyeaju, William	Associate	9.90	395.00	3,910.50
Total (CAD)		26.10		17,073.50

Our Fees	17,073.50	
HST @ 13.00%	2,219.56	
TOTAL FEES & TAXES (CAD)		19,293.06
<hr/>		
TOTAL FEES		17,073.50
TOTAL TAXES		2,219.56
TOTAL FEES & TAXES (CAD)		19,293.06

Cassels

Attn: Jeff Rosenberg
FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010
Toronto, ON M5K 1G8

Invoice No: 2164668
Date: April 11, 2022
Matter No.: 055118-00001
GST/HST No.: R121379572
Lawyer: Jacobs, Ryan
Tel.: (416) 860-6465
E-mail: RJacobs@cassels.com

Re: FIGR - Restructuring

Fees for professional services rendered up to and including April 08, 2022

Our Fees	30,517.50
HST @ 13.00%	3,967.28
TOTAL DUE (CAD)	34,484.78

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44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 47696 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:

Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Scotia Plaza, Suite 2100, 40 King Street West
Toronto, Ontario, M5H 3C2 Canada

Online Bill Payments:

Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter #

Invoice No: 2164668
Matter No.: 055118-00001
Amount: **CAD 34,484.78**

e-Transfer Payments: payments@cassels.com

Credit Card Payments: payments.cassels.com

FEE DETAIL			
Date	Name	Description	Hours
Mar-02-22	J. Dietrich	Review of revised direction; review of revised agreements; review of draft letters accompanying distributions; discussion with FTI and BJ regarding distribution issues and status; email exchange regarding comments on notices;	1.60
Mar-02-22	K. Taylor	Review and comment on letter to employees regarding distributions.	0.40
Mar-02-22	Z. Nurmohamed	Meeting with client and counsel to FIGR to discuss certain matters in connection with the proposed distributions.	0.50
Mar-02-22	J. Bornstein	Analyze employee settlement agreements and releases; Emails from and to and call with FTI team re same; Call with a Bennett Jones and FTI team re tax issues and employee settlement and claim assignment issues; Emails to and from Cassels employment and tax teams re employee notice forms; Draft monitor's report;	2.50
Mar-03-22	J. Bornstein	Draft monitor's report; Analyze Eighth Report and Distribution and WEPPA order re same; Email to FTI team regarding employee notice forms; Emails to and from FTI team regarding claim assignment issue; Analyze claims procedure order re same; Emails to and from J Dietrich re same;	5.30
Mar-03-22	J. Dietrich	Review of email regarding assignment issues; review of email regarding distribution issues and respond;	0.50
Mar-03-22	Z. Nurmohamed	Call with P. Ward to discuss upcoming Distributions. Send follow-up correspondence to J. Dietrich and J. Bornstein.	0.50
Mar-04-22	Z. Nurmohamed	Review and revise documentation in connection with the proposed distributions. Send markups to J. Bornstein and J. Dietrich.	0.80
Mar-04-22	J. Bornstein	Draft Monitor's report; Emails to and from Cassels team re same; Emails from and to tax team regarding employee notices; Revise employee notices and email to FTI team re same;	1.50
Mar-04-22	J. Dietrich	Review of email regarding report and status;	0.20
Mar-07-22	J. Dietrich	Review of email regarding distribution issues;	0.30
Mar-08-22	J. Dietrich	Review of email;	0.30
Mar-08-22	K. Taylor	Review employee distribution calculations, telephone conversation with and respond to email from Jodi Porepa.	0.70
Mar-11-22	W. Onyeaju	Reviewing FTI invoices; drafting FTI fee affidavit with updated financial information;	1.50
Mar-14-22	W. Onyeaju	Updating Cassels fee affidavit with invoice data.	0.80
Mar-14-22	J. Dietrich	Exchange of email regarding status;	0.10
Mar-15-22	J. Bornstein	Call with FTI and Bennett Jones team regarding CCAA termination motion, distributions and WEPPA;	0.50
Mar-15-22	J. Dietrich	Discussion regarding status with FTI and BJ;	0.50
Mar-21-22	Z. Nurmohamed	Call to discuss distributions and tax matters.	0.50
Mar-21-22	J. Bornstein	Call with Bennett Jones and FTI team regarding tax issues;	0.70

Date	Name	Description	Hours
		Discussion with J Dietrich regarding monitor's report;	
Mar-21-22	J. Dietrich	Discussion regarding tax issues; schedule follow up discussion and consider issues;	0.50
Mar-22-22	Z. Nurmohamed	Discuss distribution matters with J. Dietrich. Review email from M. Shakra. Meeting with J. Dietrich, J. Bornstein, J. Porepa and J. Rosenberg to discuss distributions.	1.30
Mar-22-22	J. Bornstein	Call with FTI team regarding tax issue; Analyze communications re same; Email from Bennett Jones team re same;	0.70
Mar-22-22	J. Dietrich	Discussion with Z. Nurmohamed regarding tax issues; discussion with FTI regarding distribution issues;	1.00
Mar-25-22	W. Onyeaju	Updating the Cassels fee affidavit.	0.40
Mar-25-22	J. Dietrich	Discussion regarding status with J. Rosenberg;	0.30
Mar-28-22	J. Dietrich	Discussion regarding potential bankruptcy and motion relief;	0.50
Mar-28-22	Z. Nurmohamed	Call with company counsel and monitor to discuss tax matters.	0.50
Mar-28-22	J. Bornstein	Call with Bennett Jones and FTI team re tax issues;	0.60
Mar-29-22	J. Bornstein	Call with W Onyeaju regarding status and revisions to fee affidavits;	0.20
Mar-29-22	Z. Nurmohamed	Consider tax matters in connection with the proposed distribution.	1.60
Mar-30-22	W. Onyeaju	Updating Cassels and FTI fee affidavits drafts with invoice data; adding additional paragraphs to both fee affidavits.	0.90
Mar-30-22	Z. Nurmohamed	Call with company tax counsel to discuss tax matters. Consider Income Tax Act provisions.	1.50
Mar-31-22	W. Onyeaju	Updating Cassels and FTI fee affidavits drafts with invoice data; call with S. Fernandes; adding S. Fernandes to Caselines.	1.00
Mar-31-22	S. Fernandes	Receive background to file in order to determine next steps; review fee affidavits and invoices;	1.00
Apr-01-22	Z. Nurmohamed	Call with the tax working group to discuss certain matters in connection with the proposed distribution.	0.50
Apr-04-22	J. Bornstein	Revise monitor's report; instructions regarding revising fee affidavit and preparing materials for filing;	1.80
Apr-05-22	J. Bornstein	Analyze and revise Monitor's report; Emails to and from J Dietrich re same; Email from FTI team regarding WEPP administration and bankruptcies;	0.80
Apr-06-22	J. Dietrich	Review and revised draft CCAA termination order;	1.00
Apr-06-22	J. Bornstein	Analyze and comment on termination order; Discussion with J Dietrich re same; Emails to and from FTI team re same; Instructions to A Maciel and S Fernandes regarding preparing materials to serve report;	0.60
Apr-07-22	J. Dietrich	Discussion regarding draft discharge order with FTI;	0.80
Apr-07-22	J. Bornstein	Call with Cassels and FTI team; Revise draft order; Revise report;	1.50

Date	Name	Description	Hours
Apr-08-22	J. Dietrich	Review of draft report and comment on same; discussion with BJ and FTI regarding preparation for upcoming motion;	1.70
Apr-08-22	J. Bornstein	Revise report; Emails to and from and call with J Dietrich re same; Call with FTI and Bennett Jones team re termination hearing;	2.00

FEE SUMMARY				
Name	Title	Hours	Rate	Amount
Bornstein, Jeremy	Partner	18.70	640.00	11,968.00
Nurmohamed, Zahra	Partner	7.70	925.00	7,122.50
Dietrich, Jane	Partner	9.30	900.00	8,370.00
Taylor, Kristin	Partner	1.10	950.00	1,045.00
Onyeaju, William	Associate	4.60	395.00	1,817.00
Fernandes, Stephanie	Law Student	1.00	195.00	195.00
Total (CAD)		42.40		30,517.50

Our Fees	30,517.50
HST @ 13.00%	3,967.28
TOTAL FEES & TAXES (CAD)	34,484.78

TOTAL FEES	30,517.50
TOTAL TAXES	3,967.28
TOTAL FEES & TAXES (CAD)	34,484.78

This is Exhibit "B" referred to in the affidavit of Ryan Jacobs, sworn before me by videoconference on April 14, 2022 in accordance with O. Reg. 431/20. The affiant was located in the City of Toronto in the Province of Ontario and I was located in the City of Toronto in the Province of Ontario.


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A Commissioner for Taking Affidavits

Commissioner Name: Jeremy Bornstein
Law Society of Ontario Number: 65425C

EXHIBIT "B"

**Calculation of Average Hourly Billing Rates of
Cassels Brock & Blackwell LLP
for the period principally from January 1, 2022 to April 8, 2022**

Invoice No./ Period	Fees (\$)	Disbursements (\$)	HST (\$)	Total Fees, Disbursements and HST (\$)	Hours Billed	Average Billed Rate (\$)
2160250 (January 1, 2022 to January 31, 2022)	82,125.50	nil	10,676.32	92,801.82	118.9	690.71
2163305 (February 1, 2022 to February 28, 2022)	17,073.50	nil	2,219.56	19,293.06	26.1	654.16
2164668 (March 1, 2022 to April 8, 2022)	30,517.50	nil	3,967.28	34,484.78	42.40	719.75
Total	129,716.50	nil	16,863.16	146,579.66	187.40	692.19

This is Exhibit "C" referred to in the affidavit of Ryan Jacobs, sworn before me by videoconference on April 14, 2022 in accordance with O. Reg. 431/20. The affiant was located in the City of Toronto in the Province of Ontario and I was located in the City of Toronto in the Province of Ontario.


.....
A Commissioner for Taking Affidavits

Commissioner Name: Jeremy Bornstein
Law Society of Ontario Number: 65425C

EXHIBIT "C"

Billing Rates of Cassels Brock & Blackwell LLP

For the period principally from January 1, 2022 to April 8, 2022

Year of Call	Lawyer	Rate (\$)	Fees Billed (\$)	Hours Worked
2014	Jeremy Bornstein	640.00	40,192.00	62.8
2004	Jane Dietrich	900.00	47,970.00	53.3
2021	William Onyeaju	395.00	18,723.00	47.4
2001	Zahra Nurmohamed	925.00	10,452.50	11.3
2004 (New York) 2011 (Ontario)	Ryan Jacobs	1,150.00	7,935.00	6.9
1999	Alan Merskey	870.00	2,349.00	2.7
1995	Kristin Taylor	950.00	1,900.00	2.0
Law Student	Stephanie Fernandes	195.00	195.00	1.0

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 FIGR BRANDS, INC., FIGR NORFOLK INC.
AND 1307849 B.C. LTD.**

Court File No. CV-21-00655373-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding Commenced at TORONTO

**FEE AFFIDAVIT OF RYAN JACOBS
(SWORN APRIL 14, 2022)**

Cassels Brock & Blackwell LLP

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Lawyers for FTI Consulting Canada Inc., in its capacity as
Monitor

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
FIGR BRANDS, INC., *et al.*

Court File No: CV-21-00655373-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**NINTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

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Lawyers for FTI Consulting Canada Inc., in its capacity as
Monitor