

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

B E T W E E N:

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 CROWN CREST CAPITAL MANAGEMENT CORP., CROWN CREST FINANCIAL CORP., CROWN CREST FUNDING CORP., SIMPLY GREEN HOME SERVICES INC., SIMPLY GREEN HOME SERVICES CORP., AND CROWN CREST CAPITAL TRUST

PEOPLES TRUST COMPANY

Applicant

- and -

CROWN CREST CAPITAL MANAGEMENT CORP., CROWN CREST FINANCIAL CORP., CROWN CREST FUNDING CORP., SIMPLY GREEN HOME SERVICES INC., SIMPLY GREEN HOME SERVICES CORP, AND CROWN CREST CAPITAL TRUST

Respondents

AIDE MEMOIRE OF KPMG INC., IN ITS CAPACITY AS MONITOR

October 8, 2024

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Lawyers for KPMG Inc., in its capacity as
Monitor

1. At the recent stay extension motion in these CCAA proceedings, the Monitor's counsel advised the Court that the parties to the proposed class action styled *Bonnick et al v. Krimker et al* (the "**Bonnick Action**") had attended mediation for four days in August 2024 and September 2024 with the Honourable Mr. McEwen as mediator in an attempt to resolve the Bonnick Action and a second separate, but related, proposed class action against Peoples Trust Company (the "**PTC Action**" and together with the Bonnick Action, the "**Actions**"). The Monitor and the CRO actively participated in the mediation. Monitor's counsel noted that the parties had not been able to achieve a settlement at the mediation and would therefore proceed to a contested certification and summary judgment motion before Justice Akbarali, which was to commence on October 1, 2024 and was scheduled for three days.

2. The Monitor is pleased to report that, following the first day of the certification motion, the parties have reached a tentative settlement of both Actions. A settlement term sheet (the "**Term Sheet**") has been executed and the parties are in the process of finalizing a formal Settlement Agreement. The settlement is subject, among other things, to court approval.

3. If approved by the court and implemented, the proposed settlement will facilitate the conduct of a sale and investment solicitation process in these CCAA proceedings by the Monitor, with the assistance of the CRO and in consultation with stakeholders, for some or all of the Respondents' business or assets, at the appropriate time.

4. The parties' next appearance before Justice Akbarali is scheduled for October 23, 2024.

5. The class action parties have requested, and the Monitor has agreed, to arrange for this case conference for three purposes:

- (a) To advise the CCAA Court of the proposed settlement.

- (b) To obtain this Court's approval to proceed before Justice Akbarali, in her capacity as case management judge of the Bonnick Action and the PTC Action, for court approval of the proposed settlement.
- (c) In order to effect the settlement, the class action parties require a partial and limited lifting of the stay of proceedings in these CCAA proceedings to allow the plaintiffs in the PTC Action to amend the statement of claim and add certain defendants, some of whom are captured by the existing CCAA stay. The plaintiffs had previously served a notice of motion seeking leave to amend the PTC Action, which motion has not yet been heard. Any lifting of the stay and addition of parties in the PTC Action is contingent on the proposed settlement ultimately being approved by the Court.

6. With this Court's approval, the parties propose to lift the stay of proceedings in the limited manner described above with the consent of the Monitor and the Respondents in these CCAA proceedings, in accordance with paragraph 14 of the Amended and Restated Initial Order, which provides as follows:

THIS COURT ORDERS that until and including February 10, 2024 or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Respondents, the Monitor or the CRO (as defined below), or affecting the Business or the Property, except with the written consent of the Respondents and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Respondents or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

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

Court File No. CV-23-00709183-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
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CORP., CROWN CREST FUNDING CORP., SIMPLY GREEN HOME SERVICES INC.,
SIMPLY GREEN HOME SERVICES CORP., AND CROWN CREST CAPITAL TRUST

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PROCEEDING COMMENCED AT TORONTO

AIDE MEMOIRE OF THE MONITOR

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