

**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**

December 6, 2024

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Monitor

1. At the last case conference in these CCAA proceedings held on October 10, 2024, counsel to the Court-appointed Monitor, KPMG Inc., advised this Court that the parties to the two class actions involving the CCAA Respondents (*Bonnick et al v. Krimker et al* (the “**Bonnick Action**”) and the related action against Peoples Trust Company (the “**PTC Action**” and together with the Bonnick Action, the “**Actions**”)) had reached a tentative settlement of both Actions and signed a term sheet. At that time, the parties were in the process of finalizing settlement documentation.
2. Following the case conference, this Court issued an endorsement, which provided that the parties would seek settlement approval from Justice Akbarali, as case management judge of the class proceedings, but that any settlement involving the CCAA Respondents remains subject to this Court’s review in these CCAA proceedings. The purpose of the current case conference is for the parties to provide a further update to this Court on the settlement approval process.
3. As of November 1, 2024, the parties signed the final settlement agreement. The key terms of the final settlement agreement include: (1) an initial cash payment to class counsel within 30 days after the Effective Date (as defined in the settlement agreement); (2) the plaintiffs’ entitlement to an amount equal to 25% of the purchase price paid over \$250 million in any transaction or combination of transactions concluded in accordance with a court-approved sale and investment solicitation process (“**SISP**”) in these CCAA proceedings; (3) the cancellation of leases with an aggregate value of \$13,500,000; (4) a permanent cap at 3.5% on annual escalation of lease payments for all leases held as of the date of the settlement agreement; (5) the permanent reduction by 25% of contractual buyout / termination fees on certain leases held as of the date of the settlement agreement; and (6) the parties’ consent to an order of the court that no notice of security interest or similar lien shall be enforceable against class members by the settling defendants.

4. Following the execution of the settlement agreement, class counsel brought certain motions before Justice Akbarali. Justice Akbarali released her endorsement on November 15, 2024 in *Bonnick v. Krimker et al.*, [2024 ONSC 6331](#), and granted related orders for the following relief, all for purposes of moving towards a settlement approval hearing: (a) amending the statement of claim in the PTC Action, including adding additional defendants; (b) consolidating the two Actions; (c) certifying the consolidated class proceeding; and (d) approving the notice plan and proposed notices of the settlement approval hearing.

5. Copies of the notices, both short and long form, are attached as Schedules “A” and “B”, respectively, to the Order for Certification and Approval of Notice Plan and Notices of Certification and Settlement Approval Hearing granted on November 15, 2024. Among other things, these notices set out that the class action settlement approval hearing is scheduled for February 4, 2025. Since Justice Akbarali’s endorsement and related orders were issued, such notices have been distributed by class counsel in accordance with the notice plan. Class counsel will be submitting a motion (to be heard in writing by Justice Akbarali) in the coming days for appointment of an administrator to administer the settlement and will provide Justice Akbarali with a copy of the draft distribution protocol in or around that time.

6. The stay of proceedings in these CCAA proceedings expires on January 31, 2025. Given that the settlement approval hearing before Justice Akbarali is scheduled for February 4, 2025, any settlement approval hearing in these CCAA proceedings will not proceed before the expiry of the stay extension period. Therefore, the parties propose to come back before this Court for a stay extension motion in January and schedule a further motion for settlement approval by this Court at that time. As previously advised, if approved by this Court and implemented, the proposed settlement will facilitate the conduct of a SISF in these CCAA proceedings, for some or all of the Respondents’ business or assets, at the appropriate time.

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c. C-36, AS AMENDED

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

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PROCEEDING COMMENCED AT TORONTO

**AIDE MEMOIRE OF THE MONITOR**

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