

**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 CROWN CREST CAPITAL MANAGEMENT CORP., CROWN CREST FINANCIAL CORP., CROWN CREST FUNDING CORP., SIMPLY GREEN HOME SERVICES INC., SIMPLY GREEN HOME SERVICES CORP., CROWN CREST CAPITAL TRUST, HCSI HOME COMFORT INC. AND HCSI HOME COMFORT 2 INC.

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, CROWN CREST CAPITAL TRUST, HCSI HOME COMFORT INC. AND HCSI HOME COMFORT 2 INC.

Respondents

**FACTUM OF THE MONITOR
(Stay Extension, Sixth DIP Amendment and Other Relief)**

OSLER, HOSKIN & HARCOURT LLP

100 King Street West
1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto ON M5X 1B8

Marc Wasserman (LSO# 44066M)

Tel: 416.862.4908

Email: mwasserman@osler.com

Shawn T. Irving (LSO# 50035U)

Tel: 416.862.4733

Email: sirving@osler.com

Martino Calvaruso (LSO# 57359Q)

Tel: 416.862.6665

Email: mcalvaruso@osler.com

Fax: 416.862.6666

Lawyers for KPMG Inc., in its capacity as
Monitor

TO: **THE SERVICE LIST**

PART I - NATURE OF THE MOTION

1. This factum is filed in support of a motion by KPMG Inc. (“**KPMG**”), in its capacity as the monitor (in such capacity, the “**Monitor**”) of Crown Crest Capital Management Corp., Crown Crest Financial Corp., Crown Crest Funding Corp., Simply Green Home Services Inc., Simply Green Home Services Corp. Crown Crest Capital Trust, HCSI Home Comfort Inc., and HSCI Home Comfort Inc. 2 (collectively, the “**Debtors**”) in its proceedings under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**” and the within proceedings, the “**CCAA Proceedings**”).

2. The CCAA Proceedings were commenced on November 9, 2023, by the issuance of an initial order (the “**Initial Order**”) by this Court (the “**Court**”) on the application of Peoples Trust Company (“**PTC**”). The Initial Order, among other things, (i) appointed KPMG as Monitor; (ii) granted an initial stay of proceedings (the “**Stay of Proceedings**”); (iii) authorized the creation of a DIP Facility, under which the Debtors were permitted to borrow up to \$1.1 million from PTC (in such capacity, the “**DIP Lender**”); and (iv) approved the appointment of HWS Consulting Inc. as the Chief Restructuring Officer of the Debtors (the “**CRO**”).

3. The Court subsequently granted a number of further orders, which, among other things, extended the Stay of Proceedings, increased the maximum borrowing permitted under the DIP Facility, and extended the DIP Facility’s maturity date. As of the date of this motion, the Stay of Proceedings has been extended to October 31, 2025, the maximum borrowing permitted under the DIP Facility is \$38.6 million, and the DIP Facility matures on November 1, 2025.

4. On May 26, 2025, the Court granted the Second Amended and Restated Order (the “**SARIO**”), which, among other things, authorized the retention of Canadian Imperial Bank of Commerce as sales agent (the “**Sales Agent**”) in respect of the SISP (defined below) and an Order

(the “**SISP Approval Order**”), which, among other things, approved a sale and investment solicitation process with respect to the Debtors’ business and property (the “**SISP**”).

5. Since the SARIO and SISP Approval Order, the Debtors, under the stewardship of the CRO and in consultation with the Monitor, have continued to operate their business. Further, the Monitor and the Sales Agent, in consultation with the CRO and PTC, and with the assistance of the Debtor, have conducted the SISP, and on October 9, 2025, confirmed the selection of a successful bid (the “**Successful Bid**”).

6. The Monitor has scheduled a hearing on November 10, 2025, at which time it will seek, among other things, approval of the transaction in respect of the Successful Bid (the “**Transaction**”) and related relief (the “**Approval Order Hearing**”). Pending the Approval Order Hearing, the Monitor seeks, for and on behalf of the Debtors, an order (the “**Stay Extension Order**”), which will:

- (a) extend the Stay of Proceedings until and including December 20, 2025; and
- (b) approve the Sixth DIP Amendment (as defined below), extending the maturity date of the DIP Facility to December 20, 2025.

7. The Monitor submits that the relief requested in the Stay Extension Order is fair and reasonable in the circumstances and should be granted. The relief sought is necessary in order to give the Debtors the time needed to seek the approval of the Court for the Transaction, and, if such approval is granted, move towards closing the Transaction.

PART II - SUMMARY OF FACTS

8. The facts regarding this motion are more fully set out in the Eighth Report of the Monitor.¹

A. Activities of the Debtors and the CRO

9. The CRO, with the assistance of the Monitor, has performed the following activities since the date of the SARIO and SISP Approval Order:²

- (a) continuing to work closely with the Sales Agent and the Monitor to conduct the SISP, including refining materials and information required for the due diligence process undertaken by Potential Bidders;
- (b) responding to financial, operational and other diligence inquiries from Potential Bidders;
- (c) participating in management meetings with Phase 1 Qualified Bidders;
- (d) continuing to implement certain cost-saving initiatives and improving performance metrics across key areas of the business operations and lease portfolios, which have assisted the Debtors in operating within the cash flow projections;
- (e) maintaining active engagements with key industry participants in order to understand market trends and the potential impact of the current political and economic environment;

¹ Eighth Report of the Monitor dated October 21, 2025 (“**Eighth Report**”). Unless otherwise specified, capitalized terms in this factum have the same meaning as in the Eighth Report. Unless otherwise stated, all monetary amounts referred to in this factum are expressed in Canadian dollars.

² Eighth Report at para. 18.

- (f) consulting with the Monitor and the Sales Agent in respect of the selection of the Successful Bid; and
- (g) operating the day-to-day business of the Debtors.

B. Activities of the Monitor

10. Since the date of the SARIO and SISP Approval Order, the Monitor's activities have included:³

- (a) monitoring the Debtors' cash flows and reviewing analyses on variances to the Debtors' cash flow forecast;
- (b) communicating with certain interested parties regarding the Business and Property of the Debtors and their potential interest in same;
- (c) assisting the Debtors, in consultation with the CRO and the DIP Lender, with preparing the Updated Cash Flow Forecast;
- (d) corresponding and communicating with the DIP Lender and its counsel in respect of the Debtors' cash flows and other matters relating to the CCAA Proceedings;
- (e) assisting the Debtors and the CRO with their communications with stakeholders including employees, Class Counsel, vendors, key partners and creditors;

³ Eighth Report at para. 19.

- (f) assisting the Debtors, the CRO and the Sales Agent in conducting the SISP including preparing and reviewing the non-disclosure agreements, marketing materials, and diligence information contained in the virtual data room;
- (g) assisting the Sales Agent, in consultation with the CRO and PTC, in reviewing the Phase 1 letters of intent to bid submitted by interested parties and determining which of the LOIs constituted a Phase 1 Qualified Bid;
- (h) assisting the Sales Agent, in consultation with the CRO and PTC, in reviewing the Phase 2 Bids received and determining which of the Phase 2 Bids were determined to be Qualified Bids;
- (i) assisting the Sales Agent, in consultation with the CRO and PTC, in selecting the Successful Bid in the SISP; and
- (j) with the assistance of the Monitor's legal counsel, preparing the Eighth Report and the motion materials for the Stay Extension Order.

C. Update on the SISP

11. Following the granting of the SARIO and the SISP Approval Order, the Monitor and Sales Agent, in consultation with the CRO and PTC, commenced the SISP. The SISP was designed to solicit interest in: (i) one or more sales of the property and business of the Debtors; and/or (ii) an investment in or other form of reorganization of the Debtors or their business.⁴

12. The SISP was comprised of two phases:

⁴ Eighth Report at para. 41.

- (a) Phase One: Beginning on June 4, 2025, the Sales Agent contacted 108 known potential bidders, of whom 29 signed an NDA and were given access to a virtual data room. On July 11, 2025 (the Phase 1 Bid Deadline), the Sales Agent and Monitor received nine letters of intent, of which six were ultimately determined to meet the requirements of the SISP and were invited to proceed to Phase 2.
- (b) Phase Two: On September 29, 2025 (the Phase 2 Bid Deadline), the Monitor and the Sales Agent received four binding offers. On October 9, 2025, the Monitor, in consultation with the Sales Agent, the CRO, and PTC, confirmed the selection of the Successful Bid.⁵

13. The parties to the Transaction and the Monitor are currently working on motion materials in respect of the Transaction, and the Monitor intends to seek approval for the Transaction at the Approval Order Hearing on November 10, 2025. The Monitor intends to serve motion materials in support of the relief being sought at the Approval Order Hearing in the near term.⁶

PART III - THE ISSUES AND THE LAW

14. This factum addresses the following issues:
- (a) The Court should extend the Stay of Proceedings to December 20, 2025; and
 - (b) The Court should approve the Sixth DIP Amendment.

A. The Stay of Proceedings Should be Extended

15. Pursuant to section 11.02 of the CCAA, the Court may grant an extension of a stay of proceedings where: (a) circumstances exist that make the order appropriate; and (b) the debtor

⁵ For a detailed summary of the conduct of the SISP, see Eighth Report at para. 42.

⁶ Eighth Report at paras. 43-44.

company satisfies the Court that it has acted, and is acting, in good faith and with due diligence. There is no statutory time limit on how long a stay of proceedings can be extended.

16. The Stay of Proceedings currently expires on October 31, 2025. The Monitor, on behalf of the Debtors, submits that the Stay of Proceedings be extended to and including December 20, 2025, for the following reasons:⁷

- (a) the Debtors, under the stewardship of the CRO and supervision of the Monitor, are acting in good faith and with due diligence;
- (b) the extension of the Stay of Proceedings will provide the Monitor, in consultation with the CRO and the DIP Lender, with the opportunity to seek the Approval Order and move towards closing the Transaction;
- (c) as of the date of the Eighth Report, the Monitor is not aware of any party opposed to an extension of the Stay of Proceedings; and
- (d) the Updated Cash Flow Forecast (as defined below) reflects that the Debtors are projected to have sufficient funding to continue to operate in the normal course through the proposed extension of the Stay of Proceedings.

B. The Sixth DIP Amendment Should be Approved

17. As discussed above, the DIP Facility is currently subject to a borrowing limit of \$38.6 million and has a maturity date of November 1, 2025. As of October 11, 2025, the Debtors have borrowed \$37.4 million against the DIP Facility.⁸

⁷ Eighth Report at para. 46.

⁸ Eighth Report at paras. 35 & 37.

18. On October 20, 2025, the DIP Lender and the Debtors entered into an amendment to the DIP Term Sheet (the “**Sixth DIP Amendment**”). Pursuant to the Sixth DIP Amendment, the maturity date of the DIP Facility is to be extended to December 20, 2025, or such later date as the DIP Lender may agree to.⁹

19. The Monitor submits that the Sixth DIP Amendment is reasonable and necessary in the circumstances, as the Debtors will require the additional liquidity to operate going forward.¹⁰ The Debtors, with the assistance of the Monitor and in consultation with the CRO, have prepared an updated cash flow forecast for the purpose of projecting the estimated liquidity needs of the Debtors for the period from October 12, 2025, to December 20, 2025 (the “**Updated Cash Flow Forecast**” and the “**Forecast Period**”).¹¹ The Updated Cash Flow Forecast makes clear the Debtors’ need for additional liquidity, as it projects additional borrowings under the DIP Facility of \$500,000 over the Forecast Period. While the Debtors are projected to be cash-flow positive over the Forecast Period as a whole, the additional borrowings under the DIP Facility will be required due to the timing of receipts and disbursements.¹²

20. If the Sixth DIP Amendment is approved, the DIP Lender’s Charge will continue to secure all obligations outstanding under the DIP Facility.¹³

⁹ Eighth Report at para. 38.

¹⁰ Eighth Report at para. 40.

¹¹ Eighth Report at para. 26.

¹² Eighth Report at para. 31.

¹³ Eighth Report at para. 39.

PART IV - NATURE OF THE ORDER SOUGHT

21. For the reasons set out above, the Monitor requests that this Court grant the proposed Stay Extension Order.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 23rd day of October, 2025.



OSLER, HOSKIN & HARCOURT LLP
per **Marleigh Dick**

OSLER, HOSKIN & HARCOURT LLP
100 King Street West
1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto ON M5X 1B8

Marc Wasserman (LSO# 44066M)
Tel: 416.862.4908
Email: mwasserman@osler.com

Shawn T. Irving (LSO# 50035U)
Tel: 416.862.4733
Email: sirving@osler.com

Martino Calvaruso (LSO# 57359Q)
Tel: 416.862.6665
Email: mcalvaruso@osler.com

Fax: 416.862.6666

Counsel to KPMG Inc., in its capacity as
Monitor

SCHEDULE "A": LIST OF AUTHORITIES

SCHEDULE “B”
TEXT OF STATUTES, REGULATIONS & BY-LAWS

Companies’ Creditors Arrangement Act, RSC 1985, c C-36

Stays, etc. — initial application

11.02 (1) A court may, on an initial application in respect of a debtor company, make an order on any terms that it may impose, effective for the period that the court considers necessary, which period may not be more than 10 days,

- (a) staying, until otherwise ordered by the court, all proceedings taken or that might be taken in respect of the company under the Bankruptcy and Insolvency Act or the Winding-up and Restructuring Act;
- (b) restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and
- (c) prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

Stays, etc. — other than initial application

(2) A court may, on an application in respect of a debtor company other than an initial application, make an order, on any terms that it may impose,

- (a) staying, until otherwise ordered by the court, for any period that the court considers necessary, all proceedings taken or that might be taken in respect of the company under an Act referred to in paragraph (1)(a);
- (b) restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and
- (c) prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

Burden of proof on application

(3) The court shall not make the order unless

- (a) the applicant satisfies the court that circumstances exist that make the order appropriate; and
- (b) in the case of an order under subsection (2), the applicant also satisfies the court that the applicant has acted, and is acting, in good faith and with due diligence.

Restriction

(4) Orders doing anything referred to in subsection (1) or (2) may only be made under this section.

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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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PROCEEDING COMMENCED AT TORONTO

FACTUM OF THE MONITOR

OSLER, HOSKIN & HARCOURT LLP

100 King Street West
1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto ON M5X 1B8

Marc Wasserman (LSO# 44066M)

Tel: 416.862.4908

Email: mwasserman@osler.com

Shawn T. Irving (LSO# 50035U)

Tel: 416.862.4733

Email: sirving@osler.com

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