

**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
(Approval and Vesting Order, Assignment Order and Stay Extension Order)**

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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 (collectively, the “**Simply Green Debtors**”), HCSI Home Comfort Inc. (“**HCSI 1**”), and HCSI Home Comfort Inc. 2 (“**HCSI 2**” and together with HCSI 1, the “**HCSI Entities**”, and collectively with the Simply Green Debtors, 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**”). At the comeback hearing held on November 17, 2023, the Court issued the Amended and Restated Initial Order (“**ARIO**”) which incorporated certain amendments to the Initial Order. On May 26, 2025, the Court granted the Second Amended and Restated Order (the “**SARIO**”), which, among other things, continued the NOI Proceedings of the HCSI Entities under the CCAA and consolidated them with the CCAA Proceedings, and authorized the retention of Canadian Imperial Bank of Commerce as sales agent (the “**Sales Agent**”) in respect of the SISP (as defined below). On the same date, the Court also granted 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**”).

3. Since the SARIO and SISP Approval Order, the Monitor and the Sales Agent, in consultation with the CRO and PTC, and with the assistance of the Debtors, have worked diligently to implement the SISP. These efforts were successful and have resulted in an asset purchase

agreement (the “**APA**,” and the transactions contemplated therein the “**Transaction**”) between the Debtors and 1001363332 Ontario Inc. (the “**Buyer**”), a direct wholly-owned subsidiary of Go Lime Group Inc. (“**Go Lime**”), pursuant to which the Buyer will acquire substantially all of the Debtors’ assets, essentially as a going concern transaction which will provide for the continuation of the Debtors’ operations and the continued employment of the majority of the Debtors’ employees.

4. In order to implement the Transaction, the Monitor seeks the followings orders:

- (a) an “**Approval and Vesting Order**,” which will, among other things: (i) approve the APA and the Transaction; (ii) vest the Purchased Assets in the Buyer free and clear of all Claims and Liabilities and Encumbrances; and (iii) seal the Confidential Appendices (as defined below);
- (b) an “**Assignment Order**,” which will, among other things, assign to the Buyer the Debtors’ rights and obligations under certain of the Transferred Contracts (as defined below);
- (c) a “**Stay Extension Order**,” which will, among other things:(i) approve the actions and conduct of the Monitor; (ii) approve the fees and disbursements of the Monitor and its counsel; and (iii) extend the Stay of Proceedings (as defined below) to April 14, 2026.

5. The Transaction represents the highest-value transaction to have emerged following a thorough canvassing of the market pursuant to the terms of the court-approved SISP. Approving the Transaction will allow the Debtors and their stakeholders to realize the highest and best value

for their assets, while ensuring that the Debtors' business continues as a going concern, for the benefit of creditors, employees, and stakeholders generally.

PART II - SUMMARY OF FACTS

6. The facts regarding this motion are more fully set out in the Ninth Report of the Monitor¹ and Affidavit of Joseph Prospero.²

A. The CCAA Proceedings

7. The CCAA Proceedings were commenced on November 9, 2023, by the issuance of the Initial Order. 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 Simply Green Debtors were permitted to borrow up to \$1.1 million from PTC; and (iv) approved the appointment of HWS Consulting Inc. as the Chief Restructuring Officer of the Debtors (the "**CRO**"). The Court subsequently granted a number of further orders, which, among other things, extended the Stay of Proceedings.³

8. At the comeback hearing, the Court issued the ARIO, which incorporated certain amendments to the Initial Order, including (a) extending the Stay of Proceedings to and including February 10, 2024; (b) increasing the maximum borrowings under the DIP Facility to \$10 million; and (c) increasing the maximum amount of certain court-ordered charges.⁴

¹ Ninth Report of the Monitor dated November 3, 2025 [**Ninth Report**]. Unless otherwise specified, capitalized terms in this factum have the same meaning as in the Ninth Report. Unless otherwise stated, all monetary amounts referred to in this factum are expressed in Canadian dollars.

² Affidavit of Joseph Prospero, sworn November 3, 2025 [**Prospero Affidavit**].

³ Ninth Report at paras. 1-2. See Ninth Report, at paras. 3-12 for a detailed summary of the orders granted by the Court subsequent to the Initial Order.

⁴ Ninth Report at para. 3.

9. On April 4, 2025, the Court issued an Order, among other things, approving and giving effect, as it relates to the Simply Green Debtors, to: (i) the settlement of two proposed class actions relating to the Simply Green Debtors: a proposed class action commenced prior to the Initial Order Date against certain of the Simply Green Debtors and their former CEO, Mr. Lawrence Krimker, among others, and a separate proposed class action commenced against PTC; and (ii) the settlement agreement in relation thereto (the “**Settlement Agreement**”).⁵

10. On May 26, 2025, the Court granted the SARIO and the SISP Approval Order, which, among other things: (i) authorized the retention of the Sales Agent, including the Sales Agent Work Fee, the Completion Fee, the First Amendment to the CIBC Engagement Letter, the granting of the Sales Agent Charge, and sealing of the unredacted CIBC Engagement Letter; and (ii) approved the SISP in respect of the Debtors’ business and property.⁶

11. On October 23, 2025, the “**Sixth Stay Extension Order**” was granted, which among other things, extended the Stay of Proceedings to December 20, 2025.⁷

B. The SISP

12. Following the granting of the SARIO and the SISP Approval Order, the Monitor, the Sales Agent, and the CRO conducted the SISP.⁸ The SISP, as approved by the SISP Approval Order, was comprised of two phases:

⁵ Ninth Report at para. 6.

⁶ Ninth Report at para. 11.

⁷ Ninth Report at para. 12.

⁸ For a detailed summary of the activities of the Debtors and the CRO following the SISP Approval Order, and the activities of the Monitor following the Sixth Stay Extension Order, see Ninth Report at paras. 19-21 and Prosperi Affidavit at para. 22.

- (a) **Phase One:** Beginning on June 4, 2025, the Sales Agent contacted 108 known potential bidders, who were comprised of parties known to the Sales Agent, the Monitor or the CRO as potentially having interest in the Debtors' business. Of these parties, 29 signed an NDA and were given access to a virtual data room containing, among other things, confidential financial and other information relating to the Debtors (the "**Potential Bidders**"). On July 11, 2025 (the Phase 1 Bid Deadline), the Sales Agent and Monitor received nine letters of intent from Potential Bidders, of which six were ultimately determined to meet the requirements of the SISP and were invited to proceed to Phase 2 (the "**Phase 1 Qualified Bidders**").⁹
- (b) **Phase Two:** On September 29, 2025 (the Qualified Bid Deadline), the Monitor and the Sales Agent received four offers from Phase 1 Qualified Bidders (the "**Phase 2 Bids**"). Subsequent to the Qualified Bid Deadline, the Monitor, in consultation with the Sales Agent, the CRO, and PTC, reviewed the Phase 2 Bids and sought clarification from the bidders as needed.¹⁰ Ultimately, the Phase 2 Bid submitted by the Buyer was identified as a preferred bid, and direct negotiations were initiated with the Buyer.¹¹

13. On October 9, 2025, the bid submitted by the Buyer was declared the Successful Bid.¹²

⁹ For a detailed summary of Phase 1 of the SISP, see Ninth Report at para. 40(a)-(g).

¹⁰ For a detailed summary of Phase 2 of the SISP, see Ninth Report at para. 40(h)-(l).

¹¹ Prosperi Affidavit at para. 24.

¹² Ninth Report at para. 42

C. The Transaction

14. On October 8, 2025, the Debtors and the Buyer, in accordance with the terms of the SISP, entered into the APA.¹³ The Buyer is a wholly-owned subsidiary of Go Lime which is a leading Canadian home services company that operates as a vertically integrated business across water heaters, HVAC, and similar industries. Go Lime has significant experience with the Debtors' business, as it currently serves as the largest contractor to the Debtors, delivering installation and servicing support to the Debtors across Ontario. For the purposes of its bid in the SISP, Go Lime partnered with Basalt Infrastructure Partners IV GP Limited, in its capacity as general partner of Basalt Infrastructure Partners IV A L.P., Basalt Infrastructure Partners IV B L.P., Basalt Infrastructure Partners IV C L.P. and Basalt Infrastructure Partners IV D L.P. ("**Basalt**"), a dedicated infrastructure investment firm with a focus on mid-market infrastructure, which acts as the exclusive investment advisor to Basalt funds with assets under management of over US\$7 billion.¹⁴

15. Under the terms of the APA,¹⁵ the Buyer will provide consideration consisting of: (i) the Cash Purchase Price (which Basalt has already committed to funding in full); and (ii) the assumption of the Assumed Liabilities.¹⁶ In exchange, the Buyer will acquire, free and clear of all Claims, Liabilities, and Encumbrances, substantially all of the Debtors' Assets (the "**Purchased Assets**"). The Purchased Assets include, among other things, the contracts which the Debtors are party to, as set out in Schedule 2.1(g) of the APA (the "**Transferred Contracts**"), including

¹³ Ninth Report at para. 43.

¹⁴ Ninth Report at pp. 17-18.

¹⁵ See Ninth Report at pp. 17-23 for a detailed summary of the terms of the APA.

¹⁶ See Ninth Report at p. 19 for a detailed description of the Assumed Liabilities. The Assumed Liabilities include, among other things, obligations and Cure Costs arising under and in connection with the Transferred Contracts.

customer contracts in the Debtors' lease portfolio (as defined in the APA, the "**Customer Contracts**").¹⁷ The Buyer will further be obliged to make written offers of employment to Employees on the Retention List (those employees which accept, the "**Assumed Employees**"), who constitute a majority of the Debtors' current employees.¹⁸

16. The APA contains a number of conditions to closing, including that the Approval and Vesting Order shall have been entered on or before November 15, 2025, or such other date as the parties and the Monitor agree to in writing.¹⁹

PART III - THE ISSUES AND THE LAW

17. This factum addresses the following issues:

- (a) the Approval and Vesting Order should be granted, including:
 - (i) the Transaction should be approved; and
 - (ii) the Confidential Appendices should be sealed;
- (b) the Assignment Order should be granted; and
- (c) the Stay Extension Order should be granted, including:
 - (i) the reports and conduct of the Monitor should be approved;
 - (ii) the fees of the Monitor and its counsel should be approved; and
 - (iii) the Stay of Proceedings should be extended to April 14, 2026.

¹⁷ See Ninth Report at pp. 18-19 for a detailed description of the Purchased Assets.

¹⁸ Ninth Report at p. 21; Prosperi Affidavit at para. 28.

¹⁹ Ninth Report at pp. 21-22.

A. The Approval and Vesting Order Should be Granted

(a) The Transaction Should be Approved

18. It is well recognized that a CCAA court has jurisdiction to approve a sale of all or substantially all of a CCAA debtor's business and assets. Section 36 of the CCAA sets out the legal test for obtaining court approval, and requires the court to consider, among other things: (i) whether the sale process was reasonable in the circumstances; (ii) whether the Monitor approved of the sale process and filed a report supporting the sale; (iii) the extent to which creditors were consulted; (iv) the effect of the sale on creditors and stakeholders; and (v) whether the purchase price is fair and reasonable.²⁰

19. The factors outlined in s. 36(3) overlap to a large extent with the factors that were applied in approving sale transactions prior to the enactment of s. 36, and these factors remain relevant in determining whether a sale should be approved.²¹ Under the prior *Soundair* test, it was necessary for the court to consider: (i) whether sufficient efforts had been made to obtain the best price and that the debtor had not acted improvidently; (ii) whether the interests of all parties had been considered; (iii) the integrity and efficacy of the process for obtaining offers; and (iv) whether there was any unfairness in working out the process.²²

20. The Monitor submits that the s. 36(3) factors and the *Soundair* criteria are satisfied:

²⁰ CCAA, s. 36(3).

²¹ *Target Canada Co. (Re)*, [2015 ONSC 2066](#) at para. 15.

²² *Canwest Publishing Inc./Publications Canwest Inc. (Re)*, [2010 ONSC 2870](#) at para. 13, citing *Royal Bank v. Soundair Corp.*, [\[1991\] O.J. No. 1137](#) (C.A.) at para. 16 [*Soundair*].

(a) **Conduct of the SISP:** The fairness and reasonable of a sale process under the CCAA is examined contextually, in light of the particular circumstances existing at the time,²³ and does not require the court to examine in minute detail all of the circumstances leading up to the acceptance of a particular offer,²⁴ or to hold the sales process to a standard of perfection.²⁵ In this case, the SISP was conducted by the Monitor and the Sales Agent, in consultation with the CRO, in good faith and in accordance with the terms of the SISP Approval Order, and represented a thorough and commercially reasonable canvassing of the market.²⁶ 108 potential purchasers were contacted, all of which were provided with an overview of the Debtors and the SISP and given the opportunity to access the virtual data room. Over the course of the SISP, the Sales Agent followed up with potential interested parties to gauge interest, and responded to any diligence requests from Potential Bidders.²⁷ The decision to negotiate directly with the Buyer as preferred bidder, rather than conduct an auction, was based on extensive discussions held with each Phase 2 Bidder, during which it was determined that direct negotiation would most likely maximize the total value obtained.²⁸

²³ See *White Birch Paper Holding Co. (Re)*, [2010 QCCS 4915](#), at para. 49: “The Court has to look at the transaction as a whole and essentially decide whether or not the sale is appropriate, fair and reasonable. In other words, the Court could grant the process for reasons others than those mentioned in Section 36 CCAA or refuse to grant it for reasons which are not mentioned in Section 36 CCAA.”

²⁴ *Soundair*, at paras. 48-49.

²⁵ *Sanjel Corporation (Re)*, [2016 ABQB 257](#) at para. 80 [*Sanjel*].

²⁶ Ninth Report at para. 45(a).

²⁷ Ninth Report at para. 40(a), (d).

²⁸ Prosperi Affidavit at para. 24.

(b) **Purchase Price:** In order to establish that a purchase price is fair and reasonable, a debtor must show that sufficient efforts have been made to obtain the best price, and that the debtor has not acted improvidently, based on the information available at the time the offer was accepted.²⁹ Significant deference is given to a debtor's business judgment, absent clear evidence that the purchase price of the transaction is unreasonably low.³⁰ In this case, the Transaction represents the greatest consideration offered in the SISP, the greatest recovery available in the circumstances,³¹ and amounts sufficient to fund the Purchase Price in its entirety have already been committed by way of an Equity Commitment Letter from Basalt. The ultimate consideration to be paid by the Buyer is in the range identified by the Sales Agent as the likely value of the Purchased Assets.³²

(c) **Benefits to Creditors and Stakeholders:** In addition to the purchase price, the Transaction provides a number of other benefits to the Debtors' creditors and to their stakeholders, including: (i) the Buyer is prepared to seamlessly assume the Debtors' business, which will be continued as a going concern, including all or substantially all of the Customer Contracts; (ii) Go Lime, the parent company of the Buyer, has significant experience with the Debtors' business; (iii) Basalt has significant experience partnering with management teams and building infrastructure portfolios; (iv) the employment of the majority of the Debtors'

²⁹ See for example *Terrace Bay Pulp Inc. (Re)*, [2012 ONSC 4247](#) at paras. 50-55 [*Terrace Bay*].

³⁰ *Soundair* at paras. 21 and 30-31; see also *Sanjel* at para. 56 and *Terrace Bay* at paras. 45 and 51-52.

³¹ The Purchase Price does not engage the participation right granted to the class action plaintiffs under the terms of the Settlement Agreement.

³² Ninth Report at para. 45(b), (e)-(f); Prosperi Affidavit at paras. 28-29.

current employees will be preserved, including certain KERP employees that have expended significant time and effort in stabilizing the Debtors' business; and (v) services will continue to be provided to the Debtors' customers through the assignment of the Transferred Contracts. The Transaction is supported by PTC, as the Debtors' senior secured creditor, and by the CRO.³³

- (d) **Support of the Monitor:** The SISP was conducted under the Monitor's supervision and oversight, and the Monitor, in consultation with the Sales Agent, the CRO, and PTC ultimately selected the Buyer as the Successful Bid.³⁴ The Monitor supports the requested relief.³⁵

21. Further, the other statutory requirements for obtaining relief under s. 36 have been satisfied:

- (a) All parties who have registered security interests in the Purchased Assets and who might be affected by the relief requested on this application have been notified in accordance with s. 36(2) of the CCAA.
- (b) Section 36(4) of the CCAA provides that, in the case of a sale or disposition to a related party, the court must be satisfied that: (i) good faith efforts were made to sell or dispose the assets to non-related parties; and (ii) that the consideration to be received is superior to the consideration that would be received under any other

³³ Ninth Report at para. 45(c)-(e), (h), (j); Prosperi Affidavit at para. 27.

³⁴ Ninth Report at para. 42.

³⁵ See Ninth Report at para. 45 for a detailed summary of the Monitor's reasons for supporting the Transaction.

offer made in accordance with the sale process. These criteria are not engaged in this case.³⁶

- (c) Section 36(7) of the CCAA provides that relief under s. 36 cannot be granted unless the court is satisfied that the company can and will make the payments that would have been required under ss. 6(5)(a) and 6(6)(a) of the CCAA if the court had sanctioned the compromise or arrangement. These provisions refer to the requirement that certain payments be made to employees and former employees of the company,³⁷ and to circumstances in which a company participates in a prescribed pension plan for the benefit of its employees. Payments of this type are not at issue in relation to the Debtors' employees.

22. Finally, the Transaction does not, at this time, contemplate the forced assignment of any of the Customer Contracts pursuant to s. 11.3 of the CCAA, but rather such Customer Contracts will be assigned contractually pursuant to their terms. This element of the Transaction is appropriate in the circumstances, as:

- (a) **Review:** Following a review by the Monitor's counsel of a sample of 172 different standard form contracts used by the Debtors (along with 30 executed Customer Contracts), none of the reviewed contracts required counterparty consent to be assigned.³⁸ Similarly, the CRO is not aware of any Customer Contracts which

³⁶ Ninth Report at para. 45(j).

³⁷ Section 6(5)(a) of the CCAA requires that a compromise or arrangement provides for the payments of: (i) amounts at least equal to the amounts that they would be qualified to receive under s. 136(1)(d) of the BIA (which refers to unpaid employee wages prior to bankruptcy or receivership); and (ii) compensation for services rendered after the CCAA proceedings have commenced.

³⁸ Ninth Report at para. 51.

require consent to be assigned. The general counsel of Simply Green Home Services Inc., who had reviewed the substantial majority of lease forms comprising the Customer Contracts in the course of his employment, has advised the CRO that none of the contract forms contained consent requirements.³⁹

- (b) **Industry Practice:** It is not industry practice to provide consent rights to customers for assignments, as such contracts are commonly transferred between industry participants. Instead, it is typical for lease contracts in the residential HVAC industry to contain language explicitly permitting the lessor to assign the contracts.⁴⁰
- (c) **Past Assignments:** Large portions of the Customer Contracts have been assigned without consent in the past, in accordance with common industry practice.⁴¹ Since 2016, the Debtors have acquired over 96,000 leases through various portfolio transactions, none of which involved obtaining customer consent, and of which approximately 34,000 leases are Customer Contracts under the APA.⁴²

23. As a result, the Monitor is satisfied that the Customer Contracts do not require consent to be assigned and therefore may be assigned to the Buyer as part of the Transaction. In order to ensure that any rights of counterparties to the Customer Contracts will be protected, each counterparty will be informed of the assignment by the Buyer, and the Monitor and the Buyer are

³⁹ Prosperi Affidavit at paras. 32, 34.

⁴⁰ Ninth Report at para. 52; Prosperi Affidavit at para. 35. For three sample forms of the Customer Contracts containing such provisions, see Prosperi Affidavit, Exhibit "J."

⁴¹ Ninth Report at para. 52.

⁴² Prosperi Affidavit at paras. 32-33.

working on revisions to the APA to address any Customer Contract for which a customer is able to demonstrate required consent to assignment following the Closing Date.⁴³

(b) The Confidential Appendices Should be Sealed

24. Pursuant to s. 137(2) of the *Courts of Justice Act*,⁴⁴ the Monitor requests that the following appendices be sealed (collectively, the “**Confidential Appendices**”):

- (a) Confidential Appendix “1,” which contains an unredacted copy of the APA, and which the Monitor submits should be sealed until the Closing Date; and
- (b) Confidential Appendix “2,” which contains a summary of the four bids received in Phrase 2 of the SISP, and which the Monitor submits should be sealed until further order of the Court.

25. The test for a sealing order was set out by the Supreme Court in *Sherman Estate*, and requires the court to consider whether: (i) court openness poses a serious risk to an important public interest; (ii) the order sought is necessary to prevent this serious risk to the identified interest because a reasonable alternative measure will not prevent this risk; and (iii) as a matter of proportionality, the benefits of the order outweigh its negative effects.⁴⁵

26. Each of these considerations supports the proposed sealing order:

- (a) **Public Interest:** The maximization of recovery in insolvency has been found to constitute an important public interest for the purpose of obtaining a sealing order.

⁴³ Ninth Report at paras. 53-54.

⁴⁴ R.S.O. c. C.43, as amended.

⁴⁵ *Sherman Estate v. Donovan*, [2021 SCC 25](#) at para. 38.

The granting of a sealing order in respect of commercially sensitive information is therefore “standard practice” in insolvency proceedings,⁴⁶ and courts have approved sealing orders where they are required to protect commercially sensitive information, including where the disclosure would jeopardize “value-maximizing dealings” moving forward,⁴⁷ and including the sealing of summaries of bids received in the course of a sale process pending further order of the court.⁴⁸ The Confidential Appendices contains sensitive financial information relating to the Debtors and the Transaction, the disclosure of which could: (i) harm the ongoing business operations of the Debtors; (ii) risk the closing of the Transaction; and (iii) adversely impact any future marketability of the Debtors’ business and property if the Transaction were to fail to close for any reason. Further, the publication of Appendix “2” would violate the reasonable expectation of the parties that submitted bids in Phase 2 that the details of their bids would remain confidential.⁴⁹

- (b) **Lack of a Reasonable Alternative:** Courts in insolvency proceedings have found that no reasonable alternative to a sealing order exists where declining to grant the order would materially impair the maximization of asset value for the benefit of

⁴⁶ *Yukon (Government of) v. Yukon Zinc Corporation*, [2022 YKSC 2](#) at para. 39.

⁴⁷ *Danier Leather Inc., Re*, [2016 ONSC 1044](#) at para. 84. See also *Elleway Acquisitions Limited v. 4358376 Canada Inc.*, [2013 ONSC 7009](#) at para. 48 [*Elleway Acquisitions*].

⁴⁸ *Mizrahi Commercial (The One) LP et al.*, [2025 ONSC 2672](#) at paras. 54-55, endorsing the sealing of bid summaries “pending further order of this court” found at *Mizrahi Commercial (The One) LP et al.*, (April 30, 2025), Ont. S.C.J. [Commercial List], Court File No. CV-25-00740512-00CL ([Initial Order](#)) at para. 60.

⁴⁹ Ninth Report at paras. 57-59.

stakeholders.⁵⁰ In the present case, there are no reasonable alternatives to a sealing order which would prevent the risks outlined above.

- (c) **Proportionality:** The benefits of the proposed sealing order greatly exceed any negatives. No party will be prejudiced by the sealing of the commercially sensitive information, and no public interest will be served if they are made public, prejudicing stakeholder recoveries in the process.⁵¹

27. Finally, the proposed sealing order is supported and recommended by the Monitor. CCAA courts have referred to the support of the monitor as a relevant factor in determining whether the *Sherman Estate* test is met.⁵²

B. The Assignment Order Should be Granted

28. A critical and mandatory part of the proposed Transactions is the assignment to the Buyer of the Debtors' rights and obligations under the Transferred Contracts. Given the timing required and the inability to secure certain necessary consents to date, the Monitor seeks, pursuant to s. 11.3 of the CCAA, the assignment of the Transferred Contracts (other than the Customer Contracts) listed on Schedule "1" of the Assignment Order.⁵³

⁵⁰ *Original Traders Energy Ltd. (Re)*, (January 30 2023), Ont. S.C.J. [Commercial List], Court File No. CV-23-00693758-00CL ([Endorsement of Justice Osborne](#)) at para. 62.

⁵¹ Ninth Report at para. 60. See *Elleway Acquisitions*, at para. 48, in which the court held that the beneficial effects of maximizing recoveries in insolvency greatly outweigh any deleterious effects which could result for sealing documents containing highly sensitive commercial information.

⁵² *Original Traders*, at paras. 60, 64.

⁵³ Ninth Report at paras. 46-47.

29. Section 11.3 of the CCAA gives this Court the jurisdiction and the discretion to make an order assigning the rights and obligations of a debtor company under an agreement to a third party who agrees to such assignment. Each of the requirements set out in s. 11.3 have been fulfilled:

- (a) **No Exception Applies:** Pursuant to s. 11.3(2), no assignment can be granted in respect of: (i) obligations that are not assignable by reason of their nature; (ii) an agreement entered into on or after the filing date; (iii) an eligible financial contract; or (iv) a collective agreement. None of these exceptions applies.
- (b) **Assignment is Appropriate:** Pursuant to s. 11.3(3), the Court must consider, among other things: (i) whether the Monitor approves of the proposed assignments; (ii) whether the persons to whom the rights and obligations will be assigned will be able to perform such obligations; and (iii) whether it would be appropriate to assign the rights and obligations to that person. Each of these considerations is fulfilled. The Monitor supports the proposed assignments as reasonable and appropriate in the circumstances.⁵⁴ Further, the Buyer is a subsidiary of Go Lime, a leading Canadian home services company that has deep experience with the Debtors' business (for which they are currently the largest contractor), and is further supported by Basalt, a decided transatlantic investment firm which has significant experience building mid-market infrastructure portfolios and has committed the full amount required to fund the Purchase Price.⁵⁵ In the circumstances, the Buyer's counsel has advised the Monitor that: (i) the Buyer will be sufficiently capitalized post-Closing to perform its contractual obligations; and (ii) following closing, the

⁵⁴ Ninth Report at paras. 47-48.

⁵⁵ Ninth Report at para. 45(d)-(g). See also Ninth Report at pp. 17-18 for a detailed summary of Go Lime and Basalt.

Buyer will fund its operations through a combination of third-party financing and operating cash flows.⁵⁶ Finally, the requested assignments are a vital part of the Transaction and are required by the Buyer under the APA. Ensuring the continuity of the relationship with the Debtors' contractual counterparties is vital for the success of the go-forward business and seamless transition for existing customers.⁵⁷

- (c) **Monetary Defaults Cured:** Pursuant to s. 11.3(4), the Court must be satisfied that all monetary defaults in relation to the agreement – other than those arising by reason only of the company's insolvency, the commencement of proceedings under the CCAA or the company's failure to perform a non-monetary obligation – will be remedied on or before a day fixed by the Court. While no cure costs are anticipated in respect of the Transferred Contracts, such cure costs are part of the Assumed Liabilities under the APA and will be assumed by the Buyer at Closing Time.⁵⁸

30. The proposed assignments are a necessary and vital part of the Transaction and should be approved by the Court. All counterparties to the agreements for which an assignment order is sought have received notice of this motion.⁵⁹

⁵⁶ Ninth Report at paras. 45(g), 48.

⁵⁷ Ninth Report at para. 48.

⁵⁸ Ninth Report at p. 19, para. 49.

⁵⁹ Ninth Report at para. 47.

C. The Stay Extension Order Should be Granted

(a) The Reports and Activities of the Monitor Should be Approved

31. The Monitor seeks the approval of the actions, conduct and activities outlined in the Eighth Report of the Monitor dated October 31, 2025, and the Ninth Report (collectively, the “**Reports**”).

32. Requests to approve a monitor’s report and activities are not unusual, and there are good policy and practical reasons for the court to do so, including: (i) allowing the monitor to move forward with the next steps; (ii) allowing the monitor to bring its activities before the Court; (iii) enabling the Court to satisfy itself that a monitor’s activities have been conducted in a prudent and diligent manner; (iv) providing protection for a monitor not otherwise provided by the CCAA; and (v) protecting creditors from delay that may be caused by re-litigation of steps.⁶⁰

33. The Monitor submits that the Reports, and the activities described within, should be approved. The activities set out in the Reports have been carried out in accordance with the orders of the Court, and the Monitor has acted reasonably and in good faith throughout.

(b) The Fees of the Monitor and its Counsel Should be Approved

34. The Monitor additionally seeks the approval of the following fees and disbursements of itself and its counsel, Osler, Hoskin & Harcourt LLP (“**Osler**”): (i) fees of the Monitor from May 1, 2025 to September 30, 2025, totalling \$318,020, along with disbursements in the amount of \$22,261.41; and (ii) fees of Osler during the same period totalling \$600,581, along with disbursements of \$876.25.⁶¹

⁶⁰ *Target Canada Co. (Re)*, [2015 ONSC 7574](#) at para. 23.

⁶¹ Ninth Report at paras. 62-67.

35. In considering whether to approve fees and disbursements, the court has regard to the “overriding principle of reasonableness,” and does not engage in a docket-by-docket or line-by-line assessment of the accounts.⁶² The following factors assist a court in assessing the reasonableness of the Monitor’s fees under the CCAA: (i) the nature, extent and value of the assets being handled; (ii) the complications and difficulties encountered; (iii) the degree of assistance provided by the company, its officers or its employees; (iv) the time spent; (v) the Monitor’s knowledge, experience and skill; (vi) the diligence and thoroughness displayed; (vii) the responsibilities assumed; (viii) the results achieved; and (ix) the cost of comparable services when performed in a prudent and economical manner.⁶³

36. The fees and disbursements are appropriate and should be approved. The Monitor and its counsel have acted with diligence throughout the CCAA Proceedings. The fees and disbursements of the Monitor and Osler have been reviewed by the CRO on behalf of the Debtors, and neither the CRO nor PTC oppose the approval of the fees and disbursements. In addition, the Monitor has reviewed the fees and disbursements of Osler, which the Monitor confirms reflect duly authorized and duly rendered services, and which are reasonable in the circumstances.⁶⁴

(c) The Stay of Proceedings Should be Extended

37. 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

⁶² *Nortel Networks Inc.*, [2022 ONSC 668](#) at para. 10 [*Nortel*].

⁶³ *Nortel* at para. 11.

⁶⁴ Ninth Report at paras. 64-65.

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.

38. The Stay of Proceedings currently expires on December 20, 2025. The Monitor, on behalf of the Debtors, submits that the Stay of Proceedings be extended to and including April 14, 2026, for the following reasons:⁶⁵

- (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 PTC, with the opportunity to close the Transaction;
- (c) the extension of the Stay of Proceedings will facilitate the Debtors fulfilling their obligations under the Transition Services Agreement;
- (d) the Monitor is not aware of any party opposed to the extension; and
- (e) the Updated Cash Flow Forecast 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.

⁶⁵ Ninth Report at para. 66.

PART IV - NATURE OF THE ORDER SOUGHT

39. 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 9th day of November, 2025.



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per **Marleigh Dick**

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Counsel to KPMG Inc., in its capacity as
Monitor

SCHEDULE "A": LIST OF AUTHORITIES

1. *Canwest Publishing Inc./Publications Canwest Inc. (Re)*, [2010 ONSC 2870](#)
2. *Danier Leather Inc. (Re)*, [2016 ONSC 1044](#)
3. *Elleway Acquisitions Limited v. 4358376 Canada Inc.*, [2013 ONSC 7009](#)
4. *Mizrahi Commercial (The One) LP et al.*, [2025 ONSC 2672](#)
5. *Mizrahi Commercial (The One) LP et al.*, (April 30, 2025), Ont. S.C.J. [Commercial List], Court File No. CV-25-00740512-00CL ([Initial Order](#))
6. *Nortel Networks Inc.*, [2022 ONSC 668](#)
7. *Original Traders Energy Ltd. (Re)*, (January 30 2023), Ont. S.C.J. [Commercial List], Court File No. CV-23-00693758-00CL ([Endorsement of Justice Osborne](#))
8. *Royal Bank v. Soundair Corp.*, [\[1991\] O.J. No. 1137](#)
9. *Sanjel Corporation (Re)*, [2016 ABQB 257](#)
10. *Sherman Estate v. Donovan*, [2021 SCC 25](#)
11. *Target Canada Co. (Re)*, [2015 ONSC 2066](#)
12. *Target Canada Co. (Re)*, [2015 ONSC 7574](#)
13. *Terrace Bay Pulp Inc. (Re)*, [2012 ONSC 4247](#)
14. *White Birch Paper Holding Co. (Re)*, [2010 QCCS 4915](#)

I certify that I am satisfied as to the authenticity of every authority.

Date November 9, 2025



Signature
Marleigh Dick

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

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

General power of court

11 Despite anything in the Bankruptcy and Insolvency Act or the Winding-up and Restructuring Act, if an application is made under this Act in respect of a debtor company, the court, on the application of any person interested in the matter, may, subject to the restrictions set out in this Act, on notice to any other person or without notice as it may see fit, make any order that it considers appropriate in the circumstances.

[...]

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.

[...]

Assignment of agreements

11.3 (1) On application by a debtor company and on notice to every party to an agreement and the monitor, the court may make an order assigning the rights and obligations of the company under the agreement to any person who is specified by the court and agrees to the assignment.

Exceptions

(2) Subsection (1) does not apply in respect of rights and obligations that are not assignable by reason of their nature or that arise under

(a) an agreement entered into on or after the day on which proceedings commence under this Act;

(b) an eligible financial contract; or

(c) a collective agreement.

Factors to be considered

(3) In deciding whether to make the order, the court is to consider, among other things,

(a) whether the monitor approved the proposed assignment;

(b) whether the person to whom the rights and obligations are to be assigned would be able to perform the obligations; and

(c) whether it would be appropriate to assign the rights and obligations to that person.

Restriction

(4) The court may not make the order unless it is satisfied that all monetary defaults in relation to the agreement — other than those arising by reason only of the company's insolvency, the commencement of proceedings under this Act or the company's failure to perform a non-monetary obligation — will be remedied on or before the day fixed by the court.

Copy of order

(5) The applicant is to send a copy of the order to every party to the agreement.

[...]

Restriction on disposition of business assets

36 (1) A debtor company in respect of which an order has been made under this Act may not sell or otherwise dispose of assets outside the ordinary course of business unless authorized to do so by a court. Despite any requirement for shareholder approval, including one under federal or provincial law, the court may authorize the sale or disposition even if shareholder approval was not obtained.

Notice to creditors

(2) A company that applies to the court for an authorization is to give notice of the application to the secured creditors who are likely to be affected by the proposed sale or disposition.

Factors to be considered

(3) In deciding whether to grant the authorization, the court is to consider, among other things,

- (a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;
- (b) whether the monitor approved the process leading to the proposed sale or disposition;
- (c) whether the monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;
- (d) the extent to which the creditors were consulted;
- (e) the effects of the proposed sale or disposition on the creditors and other interested parties; and
- (f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.

Additional factors — related persons

(4) If the proposed sale or disposition is to a person who is related to the company, the court may, after considering the factors referred to in subsection (3), grant the authorization only if it is satisfied that

- (a) good faith efforts were made to sell or otherwise dispose of the assets to persons who are not related to the company; and

(b) the consideration to be received is superior to the consideration that would be received under any other offer made in accordance with the process leading to the proposed sale or disposition.

Related persons

(5) For the purpose of subsection (4), a person who is related to the company includes

(a) a director or officer of the company;

(b) a person who has or has had, directly or indirectly, control in fact of the company; and

(c) a person who is related to a person described in paragraph (a) or (b).

Assets may be disposed of free and clear

(6) The court may authorize a sale or disposition free and clear of any security, charge or other restriction and, if it does, it shall also order that other assets of the company or the proceeds of the sale or disposition be subject to a security, charge or other restriction in favour of the creditor whose security, charge or other restriction is to be affected by the order.

Restriction — employers

(7) The court may grant the authorization only if the court is satisfied that the company can and will make the payments that would have been required under paragraphs 6(5)(a) and (6)(a) if the court had sanctioned the compromise or arrangement.

Restriction — intellectual property

(8) If, on the day on which an order is made under this Act in respect of the company, the company is a party to an agreement that grants to another party a right to use intellectual property that is included in a sale or disposition authorized under subsection (6), that sale or disposition does not affect that other party's right to use the intellectual property — including the other party's right to enforce an exclusive use — during the term of the agreement, including any period for which the other party extends the agreement as of right, as long as the other party continues to perform its obligations under the agreement in relation to the use of the intellectual property.

Courts of Justice Act, RSO 1990, c C.43

Documents public

137 (1) On payment of the prescribed fee, a person is entitled to see any document filed in a civil proceeding in a court, unless an Act or an order of the court provides otherwise.

Sealing documents

(2) A court may order that any document filed in a civil proceeding before it be treated as confidential, sealed and not form part of the public record.

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
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.

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

PROCEEDING COMMENCED AT TORONTO

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