

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

**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**

**SIXTH REPORT OF KPMG INC.,  
IN ITS CAPACITY AS MONITOR**

**March 25, 2025**

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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  
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**

**SIXTH REPORT OF KPMG INC.  
IN ITS CAPACITY AS MONITOR**

**March 25, 2025**

## I. INTRODUCTION

1. On November 9, 2023 (the “**Initial Order Date**”), on the application of Peoples Trust Company (“**PTC**”), the Honourable Madam Justice Conway of the Ontario Superior Court of Justice (Commercial List) (the “**CCAA Court**”) issued an order (the “**Initial Order**”) granting Crown Crest Financial Corp., Simply Green Home Services Inc., Simply Green Home Services Corp., Crown Crest Capital Management Corp., Crown Crest Funding Corp., and Crown Crest Capital Trust (collectively, the “**Crown Crest Leasing Group**” or the “**Debtors**”) protection pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), and appointing KPMG Inc. (“**KPMG**”) as the Monitor of the Crown Crest Leasing Group (the “**Monitor**”). These proceedings under the CCAA are hereinafter referred to as the “**CCAA Proceedings**”.
2. The Initial Order, among other things:
  - (a) granted a stay of proceedings against the Debtors, the Monitor, the CRO (defined below), or affecting the Business or the Property (as defined in the Initial Order), for an initial 10-day period (the “**Initial Stay Period**”);
  - (b) granted certain expanded powers to the Monitor, including applying to the CCAA Court, on its own behalf or on behalf of the Debtors, for any orders necessary or advisable to carry out its powers and obligations under the Initial Order or other order of the CCAA Court in the CCAA Proceedings;
  - (c) approved the appointment of HWS Consulting Inc. (“**HWS**”), acting through Josef Prosperi and others, to act as the Chief Restructuring Officer (the “**CRO**”) of the Debtors pursuant to an engagement letter dated November 8, 2023 (the “**CRO Engagement Letter**”);
  - (d) authorized the CRO to oversee the Business and the Property of the Debtors, and otherwise exercise and perform the powers, responsibilities and duties as described in the CRO Engagement Letter which included, *inter alia*, the authority to enter agreements on behalf of the Debtors; and

- (e) approved the terms of an interim financing facility (the “**DIP Facility**”), with a maximum principal amount of \$15 million, provided by PTC (in such capacity, the “**DIP Lender**”) to the Debtors, pursuant to a DIP facility term sheet dated November 9, 2023 (the “**DIP Term Sheet**”), and ordered that borrowings under the DIP Facility could not exceed \$1.1 million during the Initial Stay Period unless otherwise ordered by the CCAA Court.
3. At the comeback hearing held on November 17, 2023, the CCAA Court issued the Amended and Restated Initial Order (the “**ARIO**”), which incorporated certain amendments to the Initial Order, including extending the Initial Stay Period to and including February 10, 2024 and increasing the maximum borrowings under the DIP Facility to \$10 million.
4. On February 5, 2024, the CCAA Court issued an Order, among other things, (a) extending the stay of proceedings to and including May 10, 2024, and (b) increasing the maximum borrowings permitted under the DIP Facility to \$15 million.
5. On May 7, 2024, the CCAA Court issued an Order, among other things, (a) extending the stay of proceedings to and including September 27, 2024; (b) increasing the maximum borrowings permitted under the DIP Facility to \$21 million; and (c) approving the First DIP Amendment (as defined and attached to the Third Report (as defined herein)), including the extension of the maturity date to September 28, 2024.
6. On September 25, 2024, the CCAA Court issued an Order, among other things: (a) extending the stay of proceedings to and including January 31, 2025; (b) increasing the maximum borrowings permitted under the DIP Facility to \$25 million; (c) approving the Second DIP Amendment (as defined and attached to the Fourth Report (as defined herein)), including the extension of the maturity date to January 31, 2025; (d) approving the actions, activities and conduct of the Monitor described in the pre-filing report of the Proposed Monitor dated November 6, 2023, the first report of the Monitor dated November 16, 2023, the second report of the Monitor dated January 29, 2024 (the “**Second Report**”), the third report of the Monitor dated May 1, 2024 (the “**Third Report**”), and the fourth report of

the Monitor dated September 19, 2024 (the “**Fourth Report**”); and (e) approving the fees and disbursements of KPMG and its counsel, Osler, Hoskin & Harcourt LLP (“**Osler**”), incurred through to July 31, 2024.

7. On January 9, 2025, the CCAA Court issued an Order (the “**Fourth Stay Extension Order**”), among other things: (a) extending the stay of proceedings to and including April 4, 2025 (the “**Stay Period**”); (b) increasing the maximum borrowings permitted under the DIP Facility to \$30 million; and (c) approving the Third DIP Amendment (as defined and attached to the Fifth Report of the Monitor dated January 3, 2025 (the “**Fifth Report**”), a copy of which is attached hereto as **Appendix “A**”, without appendices), including the extension of the maturity date to April 4, 2025.
8. KPMG, in its capacities as Proposed Monitor and Monitor, has previously provided the CCAA Court with six (6) reports.
9. Copies of materials and documents filed in connection with the CCAA Proceedings are available on the Monitor’s website at [kpmg.com/ca/crowncrest](http://kpmg.com/ca/crowncrest). In addition, KPMG has arranged for a toll-free hotline at 1-833-668-6400 and an email address at [crowncrest@kpmg.ca](mailto:crowncrest@kpmg.ca) through which creditors of the Debtors or other interested parties can make inquires related to the CCAA Proceedings.

## **II. PURPOSE OF REPORT**

10. The purpose of this report (the “**Sixth Report**”) is to provide the CCAA Court with information pertaining to:
  - (a) an overview of the activities of the Debtors, under the stewardship of the CRO and the Monitor, since the issuance of the Fourth Stay Extension Order;
  - (b) the Debtors’ reported receipts and disbursements for the period from December 22, 2024 to March 22, 2025 (the “**December 22 Cash Flow Forecast**”), including a comparison of reported to forecasted results;

- (c) the Debtors' cash flow forecast (the "**Updated Cash Flow Forecast**") for the period March 23, 2025 to July 5, 2025 (the "**Forecast Period**");
- (d) the proposed amendments to the DIP Term Sheet; and
- (e) the Monitor's motion requesting, for and on behalf of the Debtors, that the CCAA Court issue:
  - (i) an Order (the "**Settlement Approval Order**"), among other things, approving the Class Action Settlement and the Settlement Agreement (both as defined herein); and
  - (ii) an Order (the "**Fifth Stay Extension Order**"), among other things:
    - (A) approving the Fourth DIP Amendment (as defined herein) and amending paragraph 39 of the ARIO to increase the maximum borrowings permitted under the DIP Facility to \$34 million; and
    - (B) extending the stay of proceedings to and including July 4, 2025.

### **III. TERMS OF REFERENCE**

11. In preparing this Sixth Report, KPMG has relied solely on information and documents provided to it by the Debtors, the CRO, and their respective advisors, including unaudited, draft and/or internal financial information, financial projections prepared by the Debtors, and discussions with management of the Debtors and the CRO (collectively, the "**Information**"). In accordance with industry practice, except as otherwise described in the Sixth Report, KPMG has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, KPMG has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the *Chartered Professional Accountant of Canada Handbook* and, as such, KPMG expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.

12. The Sixth Report should be read in conjunction with the Affidavit of Mr. Josef Prospero sworn March 25, 2025 (the “**March 25 Prospero Affidavit**”), on behalf of the CRO, in support of this motion, as certain information contained in the March 25 Prospero Affidavit has not been included herein in order to avoid unnecessary duplication.
13. Future orientated financial information contained in the Updated Cash Flow Forecast is based on the Debtors’ estimates and assumptions regarding future events. Actual results will vary from the information presented even if the hypothetical assumptions occur, and variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Updated Cash Flow Forecast will be achieved.
14. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

#### **IV. ACTIVITIES OF THE DEBTORS AND THE CRO**

15. Since the commencement of the CCAA Proceedings, the Debtors, under the stewardship of the CRO and the supervision of the Monitor have stabilized the Debtors’ business and have been conducting operations in the ordinary course since that time. The CRO, with the assistance of the Monitor, has performed the following activities since the date of the Fourth Stay Extension Order, as further detailed in the March 25 Prospero Affidavit:
  - (a) preparing the Debtors for a sale and investment solicitation process (“**SISP**”), including taking steps to determine the appropriate sales agent and collecting and refining materials and information expected for the due diligence process to be undertaken by potential bidders;
  - (b) implementing initiatives related to engagement of internal management and retention of key employees as the Debtors move towards seeking Court approval of a SISP;
  - (c) implementing 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;

- (d) maintaining active engagements with key industry participants in order to understand market trends and the potential impact of the current political and economic environment; and
- (e) operating the day-to-day business of the Debtors.

## V. ACTIVITIES OF THE MONITOR

16. Since the date of the Fourth Stay Extension Order, the Monitor's activities have included:

- (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 of the Debtors and their potential interest in same;
- (c) assisting the Debtors, in consultation with the CRO, with the preparation of the Updated Cash Flow Forecast;
- (d) corresponding and communicating with the DIP Lender and its counsel in respect of the Debtors' cash flows, the Updated Cash Flow Forecast and other matters relating to the CCAA Proceedings;
- (e) assisting the Debtors and the CRO with their communications with stakeholders including employees, vendors, key partners and creditors;
- (f) communicating, through counsel, with counsel of record for the plaintiffs in the class action proceedings (described herein) and with other counsel of record involved in such class actions, and attending, through counsel, the various attendances before the Class Action Judge (as described in greater detail below);
- (g) with the assistance of legal counsel, reviewing the business arrangements between the Debtors, Home Corp Services Inc. ("**Home Corp**"), and HCSI Home Comfort Inc. ("**HCSI 1**") and HCSI Home Comfort 2 Inc. ("**HCSI 2**"), as applicable, including discussions with the Debtors, the CRO, PTC and their respective counsel;

- (h) preparing materials for a SISP in consultation with the CRO and PTC;
- (i) discussions with the CRO and PTC in respect of the selection of a sales agent to be retained by the Debtors to assist the Monitor with the implementation of a SISP;
- (j) reviewing materials filed by the CRO in connection with the within motion; and
- (k) with the assistance of its legal counsel, preparing this Sixth Report and the motion materials for the Settlement Approval Order and Fifth Stay Extension Order.

**VI. CASH RECEIPTS AND DISBURSEMENTS FROM DECEMBER 22, 2024 TO MARCH 22, 2025**

- 17. The December 22 Cash Flow Forecast was filed with the CCAA Court in support of the hearing for the Fourth Stay Extension Order.
- 18. The Debtors have continued to provide the Monitor with their co-operation and access to their premises, books and records. The Monitor has implemented procedures for monitoring the Debtors' receipts and disbursements on a weekly basis. The Monitor has also worked with the Debtors to prepare forecast to actual variance analyses with respect to their weekly cash flows as compared to the December 22 Cash Flow Forecast.
- 19. A comparison of the Debtors' actual cash receipts and disbursements as compared to the December 22 Cash Flow Forecast for the 13-week period ending March 22, 2025, is summarized as follows:

<b>Crown Crest Leasing Group</b>			
<b>Summary of Actual Receipts and Disbursements</b>			
<i>For the 13-week period from December 22, 2024 to March 22, 2025</i>			
In C\$; unaudited			
	<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>
			Fav(Unfav)
<b>Receipts</b>			
Customer receipts	14,353,820	14,162,096	191,724
Other receipts	829,572	738,000	91,572
<b>Total receipts</b>	<b>15,183,392</b>	<b>14,900,096</b>	<b>283,296</b>
<b>Operating disbursements</b>			
Technical servicing	1,343,514	1,785,264	441,750
Billing cost	122,272	105,173	(17,098)
Adjudication	-	12,172	12,172
Third-party call centre	282,402	292,707	10,305
General & administrative	318,194	315,137	(3,057)
IT	383,737	401,846	18,110
Rent and utilities	213,716	201,738	(11,978)
Payroll	1,606,731	1,650,217	43,486
Professional fees	759,159	999,291	240,132
Tax remittances	1,409,364	1,170,047	(239,317)
<b>Total operating disbursements</b>	<b>6,439,088</b>	<b>6,933,593</b>	<b>494,504</b>
<b>Net operating cash flow</b>	<b>8,744,304</b>	<b>7,966,503</b>	<b>777,800</b>
Debt servicing	12,529,128	12,891,240	362,113
Net cash flow before external funding	(3,784,824)	(4,924,737)	1,139,913
DIP funding	4,000,000	5,000,000	(1,000,000)
<b>Net cash flow</b>	<b>215,176</b>	<b>75,263</b>	<b>139,913</b>
Opening cash	1,600,963	1,600,963	-
Net cash flow	215,176	75,263	139,913
<b>Ending cash</b>	<b>1,816,139</b>	<b>1,676,226</b>	<b>139,913</b>
<b>Cumulative DIP Facility (excl. accrued interest)</b>			
Opening balance	24,034,036	24,034,036	-
DIP funding	4,000,000	5,000,000	(1,000,000)
Accrued interest	612,496	624,872	(12,376)
<b>Closing balance</b>	<b>28,646,532</b>	<b>29,658,908</b>	<b>(1,012,376)</b>

20. As reflected in the summary table above, the Debtors reported a net negative cash outflow of approximately \$3.8 million over the 13-week period, after concurrent lease agreement (“CLA”) and debt servicing payments. The net negative cash outflow was funded by \$4.0 million of advances under the DIP Facility, taking total DIP Facility advances to \$28.6 million, inclusive of accrued interest, since the commencement of the CCAA Proceedings. As at March 22, 2025, the Debtors had a cash balance of approximately \$1.8 million, a positive variance of \$0.1 million as compared to the December 22 Cash Flow Forecast.
21. The \$0.1 million positive cash variance can be summarized as follows:

- (a) a positive variance of \$0.3 million related to total receipts, which was primarily due to the partial reversal of temporary delinquencies arising in December 2024 (i.e. prior to the commencement of the Forecast Period) from the transition of Enbridge customers to other payment methods, such as pre-authorized payments;
  - (b) a positive variance of \$0.5 million related to operating disbursements, primarily the result of lower than forecast technical servicing costs (\$0.4 million) primarily due to higher-than-average warranty claims in the Forecast Period due to a delay in processing these claims with suppliers. There was also a positive variance in professional fees (\$0.2 million) due to timing offset by a negative variance in tax remittances (\$0.2 million), due to lower than forecast disbursements for which input tax credits are claimed;
  - (c) a positive variance of \$0.4 million in CLA and debt servicing payments, which is primarily due to the reduced volume of buyouts and lower interest rates than forecast; and
  - (d) a negative variance of \$1 million in DIP funding due to positive variance in total receipts and operating disbursements, as noted above.
22. As at March 22, 2025, the Debtors had drawn \$28.6 million under the DIP Facility, including accrued interest.

## **VII. UPDATED CASH FLOW FORECAST**

23. The Debtors, with the assistance of the Monitor and in consultation with the CRO, have prepared the Updated Cash Flow Forecast for the purpose of projecting the estimated liquidity needs of the Debtors during the Forecast Period. A copy of the Updated Cash Flow Forecast, the accompanying notes and a report containing prescribed representations regarding the preparation of the Updated Cash Flow Forecast are attached hereto as **Appendix “B”**.
24. The Updated Cash Flow Forecast has been prepared on a conservative basis using probable and hypothetical assumptions set out in the notes to the Updated Cash Flow Forecast. The

Updated Cash Flow Forecast reflects the Debtors' estimates of receipts and disbursements on a weekly basis over the Forecast Period.

25. The Monitor's review of the Updated Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to Information supplied to it by the Debtors and/or the CRO. Since the probable and hypothetical assumptions need not be supported, the Monitor's procedures with respect to these assumptions were limited to evaluating whether they were consistent with the purpose of the Updated Cash Flow Forecast. The Monitor also reviewed the support provided by the Debtors and/or the CRO for the probable and hypothetical assumptions, and the preparation and presentation of the Updated Cash Flow Forecast.
26. Forecast operating cash receipts over the Forecast Period total approximately \$19.9 million, primarily related to the collection of monthly payments from the customers of the Debtors.
27. Forecast total disbursements (excluding debt servicing costs) over the Forecast Period total approximately \$8.3 million and primarily consist of payroll (\$1.6 million), costs associated with the technical servicing (call-outs, repairs and maintenance) of the portfolio (\$2.1 million), professional fees (\$1.4 million) and sales tax remittances (\$1.7 million).
28. Over the Forecast Period, a total of approximately \$15.2 million will be paid to PTC to service debts owing under the warehouse loan agreements and secured debenture facilities with PTC and in respect of the CLAs.
29. After CLA and debt servicing payments, the Debtors are projected to incur a net cash outflow of approximately \$3.6 million over the Forecast Period. Accordingly, the Updated Cash Flow Forecast projects the use of cash on hand as of the beginning of the Forecast Period and additional borrowings under the DIP Facility in the amount of \$4 million over the Forecast Period. These amounts may differ due to the timing of receipts and disbursements during the Forecast Period. Accordingly, borrowings under the DIP Facility are projected to increase to \$33.5 million by the end of the Forecast Period, including the capitalization of accrued interest on a monthly basis.

30. The Monitor notes that the Updated Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

## VIII. CLASS ACTION SETTLEMENT APPROVAL

### The Bonnick Action

31. On July 7, 2021, approximately two years prior to the granting of the Initial Order, a proposed class proceeding was commenced by the plaintiff, Alga Adina Bonnick (later joined by Goran Stoilov Donev) against Crown Crest Capital Management Corp., Crown Crest Financial Corp., Crown Crest Capital Trust, Crown Crest Capital II Trust, Crown Crest Billing Corp., Crown Crest Capital Corp., Crown Crest Funding Corp., Sandpiper Energy Solutions Home Comfort, Simply Green Home Services (Ontario) Inc., Simply Green Home Services Inc., and Simply Green Home Services Corp. (together, the “**Corporate Defendants**”) and the Crown Crest Leasing Group’s former CEO, Lawrence Krimker (“**Krimker**”), bearing Court File Number CV-21-00665193-00CP (as amended, the “**Bonnick Action**”).
32. Sotos LLP (“**Class Counsel**”) was granted carriage of the Bonnick Action by the Honourable Justice Perell dated December 29, 2021, and over an overlapping proposed class proceeding commenced by Paula Blackford-Hall et al, bearing Court File Number CV-21-00664652-00CP.
33. The plaintiffs in the Bonnick Action allege the Corporate Defendants’ conduct contravenes the *Consumer Protection Act, 2002*, S.O. 2002, c. 30, Sch. A (“**ONCPA**”) and, among other relief, seek an order that the subject consumer agreements (the “**Consumer Agreements**” or “**Leases**”) be rescinded, cancelled or declared unenforceable. The plaintiffs also seek general damages calculated on an aggregate basis or otherwise for all payments made to the Corporate Defendants, punitive and special damages, a declaration that the Corporate Defendants have been unjustly enriched, disgorgement of the Corporate Defendants’ profits, an interlocutory injunction barring the defendants from engaging in the conduct particularized in the plaintiffs’ claim, and an order permanently enjoining the defendants

from engaging in such conduct. The plaintiffs claim a proprietary right in the Leases and seek related relief, including an order under section 160 of the *Land Titles Act*. The plaintiffs also seek to lift the corporate veil to impose liability on Krimker, the individual defendant.

34. More specifically, the plaintiffs in the Bonnick Action allege that during the proposed class period the Corporate Defendants have committed the following violations of the *ONCPA*:
  - (a) The Consumer Agreements breach the direct agreement provisions of the *ONCPA* (Part IV) by failing to disclose certain material information including, but not limited to, the total amount payable by the consumer under the Consumer Agreement, and all security given by the consumer in respect of money payable under the agreement;
  - (b) The Consumer Agreements breach the leasing provisions of the *ONCPA* (Part VIII), including by failing to furnish a disclosure statement;
  - (c) The Corporate Defendants have engaged in unfair practices, contrary to ss. 14 and 15 of the *ONCPA*, including by: (i) failing to state a material fact if such failure deceives or tends to deceive a consumer constitutes an unfair practice; and (ii) the price of the Consumer Agreements grossly exceeds the price at which similar goods or services are readily available; and
  - (d) The registration by the Corporate Defendants of Notices of Security Interest (“*NOSIs*”) amounts to slander of title and is intended to induce others not to deal with consumers unless the amounts registered were paid and the registrations discharged.
35. The plaintiffs also seek a declaration that the Consumer Agreements are invalid for unconscionability and unenforceable against the class.
36. Prior to the Class Action Settlement (described below), the proposed class in the Bonnick Action consisted of all individuals in Ontario who (a) are or were party to a Consumer Agreement for HVAC or HVAC-related equipment with any person who directly or indirectly assigned that Consumer Agreement to one of the Corporate Defendants between

July 17, 2013 and the date of certification; and (b) against whose property the Corporate Defendants registered, or caused to be registered, a NOSI on title or other encumbrance on title.

37. The Corporate Defendants and Krimker have denied all allegations by the plaintiffs in the Bonnick Action and, prior to the Class Action Settlement, opposed certification.
38. At the time the Initial Order was granted, defences had been filed, certification materials had been exchanged and the parties to the Bonnick Action were proceeding towards a contested certification and summary judgment hearing that had been scheduled for October 2024. The Bonnick Action was stayed by the Initial Order (as certain of the Corporate Defendants are Debtors in the CCAA Proceedings and the issues raised affect both the Business and the Property, as those terms are defined in the ARIO).

### **The PTC Action**

39. On December 21, 2023, approximately six weeks after the granting of the Initial Order, the plaintiffs, Alga Adina Bonnick, Goran Stoilov Donev, and Sarah-Jane Shaw, commenced a companion national class proceeding against PTC, bearing Court File No. CV-23-00711844-00CP (the “**PTC Action**”). Class Counsel also represents the plaintiffs in the PTC Action (together with the plaintiffs in the Bonnick Action, the “**Plaintiffs**”).
40. The PTC Action relates to similar alleged disclosure and unfairness issues in the Consumer Agreements and seeks similar relief (albeit on a national scale), including rescission and cancellation of the Consumer Agreements. The PTC Action also alleges civil conspiracy with respect to PTC’s role in the Corporate Defendants’ business. More specifically, the plaintiffs in the PTC Action allege that:
  - (a) PTC is jointly and severally liable for unlawful means conspiracy and predominant purpose conspiracy with the Corporate Defendants, as they engaged in unlawful conduct directed at the class;
  - (b) PTC and the Corporate Defendants together have breached the *ONCPA* and equivalent consumer protection legislation across Canada, including the direct

agreement provisions and the leasing requirements, and the Consumer Agreements constitute an unfair practice;

- (c) PTC and the Corporate Defendants have committed slander of title by causing the registration of NOSIs against class members' home titles;
  - (d) the Consumer Agreements are unconscionable and invalid; and
  - (e) PTC and the Corporate Defendants have been unjustly enriched to the extent they retained any amounts under the Consumer Agreements.
41. On May 10, 2024, the plaintiffs in the PTC Action served a notice of motion seeking leave to amend the PTC Action to add certain defendants, including Krimker and his mother, Lyudmila Krimker, HCSI 1 and HCSI 2, and an order that the PTC Action be consolidated with, or heard at the same time as, the Bonnick Action. At the time, the Monitor did not consent to lifting the stay of proceedings in the CCAA Proceedings to allow the motion to proceed and, accordingly, the motion was paused, pending the results of the Mediation (as defined herein).

### **The Mediation**

42. As described in the Fourth Report and the Fifth Report, since the Initial Order Date, the Monitor and its counsel have been actively engaged with Class Counsel and all other counsel of record involved in the Bonnick Action and, following its commencement, the PTC Action. The Monitor has been concerned from the outset of the CCAA Proceedings that the overhang of the Bonnick Action and, in particular, the threat of rescission of the Consumer Agreements and/or a declaration of invalidity, could interfere with a successful restructuring of the Debtors – either through a SISF or some other restructuring alternative. Based on preliminary discussions with potentially interested parties and certain financial advisory firms, the Monitor is of the view that there would be little or no interest in the Debtors' business or assets if the Actions are not resolved. Furthermore, if the Plaintiffs were successful in the Actions, and rescission was granted as a remedy, the Debtors would

be left with little or no assets and there would be no prospect of a restructuring of the Debtors' business.

43. Accordingly, at the encouragement of the Monitor, and with the approval of the CCAA Court, the class action parties, together with the Monitor and the CRO, agreed to participate in a mediation (the "**Mediation**") with the Honourable Thomas J. McEwen and McEwen Resolutions Inc. as mediator (the "**Mediator**") to see if a consensual settlement of the issues in both Actions could be achieved.
44. The Mediation was held over the course of three consecutive days in August 2024 and an additional session on September 19, 2024. The parties did not achieve a settlement at the conclusion of the Mediation, however the Mediator agreed to be available to facilitate further discussions if desired.

### **The Settlement**

45. Following the failed Mediation, the Actions proceeded to a contested certification and summary judgment motion before Justice Akbarali, as case management judge of the Actions (in such capacity, the "**Class Action Judge**"), which commenced on October 1, 2024 and was scheduled for three days. The Debtors and the Monitor had earlier provided their written consent to lift the CCAA stay of proceedings for the limited purpose of proceeding with the motions for certification and summary judgment, as permitted under the terms of the ARIO.
46. Following the first day of the certification motion, the class action parties reached a tentative settlement of both Actions, facilitated by the Mediator. The parties advised the Class Action Judge that they wished to set the certification motion down to finalize the proposed settlement.

47. On November 1, 2024, the Plaintiffs and the Settling Defendants<sup>1</sup> signed the final settlement agreement (the “**Settlement Agreement**”), a copy of which is attached hereto as **Appendix “C”**, and thereafter advised the Class Action Judge and the CCAA Court that a settlement of the Actions had been achieved, subject to court approval (the “**Class Action Settlement**”).
48. The key terms of the Settlement Agreement include the following:<sup>2</sup>
- (a) **Initial Cash Payment to the Class:** An initial cash payment of \$17 million, to be funded by PTC and Krimker (and not the Debtors), to be made within thirty days after the Effective Date,<sup>3</sup> which will be held in trust by Class Counsel.
  - (b) **Participation Right:** Participation in the proceeds generated by the SISF in the CCAA Proceedings in the amount of 25% of the purchase price paid over \$250 million in relation to any transaction concluded in accordance with the SISF, to be paid within ten days of closing of a Successful Bid.
  - (c) **Annual Escalation Limit:** A permanent cap on any annual escalation of monthly Lease payments for all Leases held as of the date of the Settlement Agreement at

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<sup>1</sup> “**Settling Defendants**” is defined in the Settlement Agreement (defined below) as all of the defendants named in the Actions, all of the defendants in the BH Action (as defined in the Settlement Agreement) other than Enbridge Inc., and all Persons sought to be added to the PTC Action pursuant to the Notice of Motion dated May 10, 2024 served by the Plaintiffs in that action, including Lawrence Krimker, Crown Crest Capital Management Corp., Crown Crest Financial Corp., Crown Crest Capital Trust, Crown Crest Capital II Trust, Crown Crest Billing Corp., Crown Crest Capital Corp., Crown Crest Funding Corp., Sandpiper Energy Solutions, Sandpiper Energy Solutions Home Comfort, Simply Green Home Services (Ontario) Inc., Simply Green Home Services Inc., Simply Green Home Services Corp., Simply Group, HCSI Home Comfort Inc., HCSI Home Comfort 2 Inc., Ecohome Financial Inc., Simply Group Acquisition Corp., Peoples Trust Company, Lyudmila Krimker, 2775996 Ontario Inc., Marble Amalco Inc., and SGHS Management Holdco Inc., but does not include Enbridge Inc.

<sup>2</sup> The following summary of the material terms of the Settlement Agreement is not intended to be a complete summary and is qualified by reference to the Settlement Agreement itself. Readers are encouraged to read the Settlement Agreement in its entirety for a complete description of the terms of the Settlement Agreement. All capitalized terms in the remainder of this section, not otherwise defined, have the meanings given to them in the Settlement Agreement.

<sup>3</sup> “**Effective Date**” is defined in the Settlement Agreement as thirty (30) days after the Settlement Approval Date, unless any appeal is taken from the Approval Order or the CCAA Approval Order, in which case it is the date upon which all appeals have been fully disposed of on the merits in a manner that affirms the Approval Order and/or the CCAA Approval Order.

3.5% for Settlement Class Members, regardless of any contrary terms in a Settlement Class Member's Lease.

- (d) **Buyout Fee Reduction:** A permanent reduction by 25% to the contractual buyout / termination fees on Leases for furnaces, boilers, heat pumps, and air conditioners held as of the date of the Settlement Agreement by the Simply Green Vendors<sup>4</sup> for Settlement Class Members, as such buyout / termination fees are currently calculated under the terms of the Leases.
  
- (e) **Lease Cancellations:** Through the process set out in section 7 of the Settlement Agreement, the Simply Green Vendors will cancel Leases with Settlement Class Members with an aggregate value of \$13.5 million with the value of such Leases being the sum of all payments remaining to be made under the Leases, including payments already due and payable, with annual payment escalations no greater than 3.5%, and with useful life lease terms deemed to be 180 months. Settlement Class Members who accept the Lease cancellation will be entitled to retain the Equipment<sup>5</sup> that was the subject of the cancelled Lease at no cost, but they will no longer be entitled to any service or maintenance from any of the Settling Defendants.
  
- (f) **NOSI Discharges:** The parties to the Settlement Agreement consent to a court order that no NOSI or similar lien anywhere in Canada shall be enforceable against the Class Members by the Settling Defendants or any parties to whom they assign their interest in the Leases, including a buyer in a SISP and such buyer's successors and assigns. If a Class Member wishes to remove the NOSI, the Settling Defendants will

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<sup>4</sup> “**Simply Green Vendors**” is defined in the Settlement Agreement as Crown Crest Capital Management Corp., Crown Crest Financial Corp., Crown Crest Funding Corp., HCSI Home Comfort Inc., HCSI Home Comfort 2 Inc., Simply Green Home Services Inc., Simply Green Home Services Corp., Utilebill Home Services Inc., Crown Crest Capital Trust, Simply Green Retail Services Inc., Crown Crest Billing Corp., Simply Green Home Services (BC) Inc., Simply Green Home Services (AB) Inc., Simply Green Home Services (SK) Inc., and Simply Green Home Services (MB) Inc.

<sup>5</sup> “**Equipment**” is defined in the Settlement Agreement as furnaces, heat pumps, air conditioners, air purifiers, water heaters, water softeners, water purification systems, water treatment systems, water filters, boilers, thermostats, air cleaners, humidifiers, chimney liners, duct cleaning services, heat recovery ventilators, filters, and other equipment or services.

provide their consent for any solicitor engaged by such Class Members, whose Leases the Settling Defendants have not previously assigned or sold, to seek to discharge the NOSIs from title, with any and all discharge fees, costs and disbursements to be paid by the Class Member to such solicitor and provided that such discharge shall not otherwise affect the rights and obligations of the parties under the applicable Lease.

- (g) **Release:** Upon the Effective Date, the Releasors<sup>6</sup> are deemed to have jointly and severally, individually and collectively, released and forever discharged the Releasees from any and all Released Claims, whether known or unknown, and shall be fully and forever barred and enjoined from instituting or prosecuting in any court or tribunal, either directly or indirectly, individually or representatively, any and all Released Claims against the Releasees. The Release is expressly intended to cover and include all injuries or damages relating to any Released Claims, including all rights of action and any Claim for rescission of any Lease. All Other Actions commenced by a Releasor shall be deemed to be dismissed, without costs, as of the Effective Date and without further action by any of the parties.
- (h) **No Admission of Liability:** The Class Action Settlement does not constitute an admission of liability by any of the class action parties and anything contained therein, and any and all negotiations, documents, discussions and proceedings associated with the Settlement Agreement, shall not be deemed, construed or intended to be an admission of any breach of duty, violation of any statute or law, or liability by all of the Releasees, or of the truth of any of the claims or allegations contained in the Actions.
- (i) **Opt Outs:** Class Members may elect to exclude themselves from the Settlement Class by submitting a valid Opt Out Form to Class Counsel on or before the Opt Out

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<sup>6</sup> The “**Releasors**” are defined in the Settlement Agreement as follows: jointly and severally, individually and collectively, the Plaintiffs and the Settlement Class Members, on behalf of themselves and any Person or entity claiming by or through them as a present or former, direct or indirect, parent, subsidiary, affiliate, division or department, predecessor, successor, shareholder, partner, director, owner of any kind, agent, principal, employee, contractor, attorney, heir, executor, administrator, insurer, reinsurer, devisee, assignee, trustee, servant, contractor or representative of any kind.

Deadline. Any person who falls within the Settlement Class who does not validly Opt Out by the Opt Out Deadline are deemed to have elected to participate in the Class Action Settlement. If the number of Opt Outs exceeds the Opt Out Threshold, the amount of which is confidential to the class action parties but may be disclosed to the court under seal, PTC may terminate the Settlement Agreement or waive this threshold and complete the Class Action Settlement.

- (j) **Certification and Court Approval:** The Plaintiffs shall bring motions to, among other things, (i) certify the Settlement Class for settlement purposes only; and (ii) obtain approval by the Class Action Judge of the Settlement Agreement. As soon as practicable after the making of the Approval Order, counsel for the Monitor shall schedule a motion to obtain the CCAA Approval Order.
  - (k) **Termination:** If the Settlement Agreement is terminated in accordance with Section 26 of the Settlement Agreement, the class action parties agree, among other things, to cooperate to have any prior order certifying the Actions as a class proceeding for settlement purposes set aside, and any prior certification of the Actions for settlement purposes shall be without prejudice to any position that any of the class action parties may later take on any issue in the Actions or any other litigation.
  - (l) **Binding Effect:** The Settlement Agreement is binding upon and inures to the benefit of the Settling Defendants, the Plaintiffs and Settlement Class Members, and their respective agents, heirs, executors, administrators, successors, transferees and assignees.
49. Overall, the Settlement Agreement provides a total value of, at a minimum, \$32,946,000, including the value of the cancelled Leases, the annual cap on Lease escalations, and the value of the buyout discount on remaining Leases, but not including any participation amount from the SISP.
50. The Settlement Agreement provides that at the same time as the motion for an order approving the Class Action Settlement, Class Counsel would bring a motion for approval of their fees, disbursements and taxes. The Settling Defendants are prohibited from

commenting on or otherwise opposing the fees sought by Class Counsel except if asked by the Class Action Judge or plaintiffs. The Class Action Settlement was not contingent on approval of Class Counsel's fees and expenses. Class Counsel's fees and disbursements will be paid from the Settlement Fund on the Effective Date.

51. In order to effect the Class Action Settlement, the class action parties required a partial and limited lifting of the stay of proceedings in the CCAA Proceedings, including to allow the plaintiffs in the PTC Action to amend the statement of claim and add certain defendants (as set out above), some of whom are captured by the existing CCAA stay, and to seek certification of the Actions for settlement purposes. Therefore, the Monitor provided its consent to lift the stay of proceedings in this limited manner, in accordance with paragraph 14 of the ARIO. This limited lifting of the stay was contingent on the Class Action Settlement ultimately being approved by the Class Action Judge and the CCAA Court.
52. To the extent that the Class Action Settlement is not approved or otherwise terminates, the stay of proceedings granted under the CCAA, as it applies to the Actions, will automatically resume, and any actions taken that would have been subject to the stay are deemed null, void, and of no effect.
53. Following the execution of the Settlement Agreement, and in accordance with the terms, Class Counsel brought several motions before the Class Action Judge seeking various relief, all for purposes of moving towards a settlement approval hearing, including: (a) amending the statement of claim in the PTC Action, including adding the additional defendants; (b) consolidating the two Actions; (c) certifying the consolidated class proceeding for settlement purposes only (the "**Certification Order**"); and (d) approving the notice plan and proposed notices of the class action settlement approval hearing. Justice Akbarali granted the orders and released her endorsement on November 15, 2024 in *Bonnick v. Krimker et al.*, 2024 ONSC 6331.

54. The Certification Order defines the “**Settlement Class**” as “All Persons in Canada who are or were party to a Lease at any time between July 17, 2013 and January 15, 2025, except Excluded Persons”.<sup>7</sup>
55. The notices of settlement approved by the Class Action Judge notified recipients, among other things, that a settlement approval hearing had been scheduled for February 4, 2025 before the Class Action Judge (the “**Approval Hearing**”). The notices also provided that class members could opt out of the Class Action Settlement by no later than January 15, 2025 (the “**Opt Out Deadline**”), or submit objections or comments on the Class Action Settlement to Class Counsel by December 31, 2024. As noted in the Fifth Report, the notices were distributed by Class Counsel in accordance with the notice plan. On December 13, 2024, the Class Action Judge granted Class Counsel’s motion for appointment of an administrator to administer the settlement.
56. There were 31 putative class members who opted out of the Class Action Settlement, many because they had commenced individual litigation in relation to their contracts.
57. The Approval Hearing took place before the Class Action Judge on February 4, 2025. Several class members attended the Approval Hearing and shared their views, including raising certain limited objections.
58. The Class Action Judge approved the Class Action Settlement on February 21, 2025. A copy of Justice Akbarali’s endorsement is attached hereto as **Appendix “D”**.
59. In determining that the Class Action Settlement is fair, reasonable and in the best interests of the class, and should be approved, the Class Action Judge held as follows:
- (a) The likelihood of recovery is a significant risk in the Actions, not least because of the ongoing CCAA Proceedings (para 30). While the class has a strong legal position

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<sup>7</sup> “**Excluded Persons**” means any putative Class Member who validly opts out of this proceeding in accordance with the terms of this Order and each Defendant.

with respect to the Consumer Agreements at issue in the Actions, a judgment that cannot be enforced would not be of practical value to the class (para 33).

- (b) Class Counsel's knowledge and understanding of the evidence and allegations in the Actions is extensive and deep (para 36).
- (c) All class members will derive some benefit from the Class Action Settlement, although the benefits will be different (para 38).
- (d) The Class Action Settlement is recommended by Class Counsel, who is very experienced. In counsel's view, especially in view of the CCAA Proceedings, the recovery for the class is as good as could have been expected. It resolves the litigation in a timely manner (para 39).
- (e) The complexity of the two Actions and the CCAA Proceedings would add delay and expense to these proceedings. Appeals would be expected. The Actions would likely take years to resolve (para 41).
- (f) Notice of settlement approval reached a few million people. Only two class members objected to the Class Action Settlement. Four others provided comments. The comments can be described as generally supportive of the Class Action Settlement. Some class members who commented shared their stories with the court (para 43).
- (g) The parties entered into a negotiation process prompted by order of the CCAA Court on advice of the Monitor. They were assisted by a former judge of the court with familiarity with CCAA proceedings. The evidence indicates the negotiations took place over several months, after the Mediation failed. There is every indication that good faith, arms-length bargaining led to the proposed Class Action Settlement (para 47).
- (h) The class has been attentive and engaged throughout (para 50).
- (i) The biggest risks inherent in not approving the Class Action Settlement are the following: the length of time it would take to reach an adjudicated result, the delays

associated with appeals, the potential that the stay of proceedings from the CCAA Proceedings would be renewed, and the risk of inability to recover based on the nature of the HVAC industry and the transfers of contracts between corporate entities, and the insolvency of a number of the corporate defendants (para 51).

60. The Class Action Judge acknowledged in her endorsement that the Class Action Settlement and Settlement Agreement remain subject to the approval of the CCAA Court. The Class Action Judge approved the notice of settlement approval, which will only be distributed if the CCAA Court approves the Class Action Settlement, and subject to any non-material modification required by the CCAA Court. If a material modification is required, the parties may seek a further attendance before the Class Action Judge to address notice approval for purposes of the *Class Proceedings Act*.

#### **Recommendation of the Monitor**

61. The Monitor recommends that the Class Action Settlement and the Settlement Agreement be approved by the CCAA Court.
62. It is the Monitor's view that the Class Action Settlement is fair and reasonable, will be beneficial to the Debtors and their stakeholders, and is consistent with the purposes of the CCAA for the following reasons:
  - (a) The Class Action Settlement is the result of several months of negotiations between the parties, facilitated throughout by the Honourable Former Justice McEwen and the Monitor. The Monitor provided periodic updates to all stakeholders in the CCAA Proceedings in its prior reports.
  - (b) The Class Action Settlement fully and finally resolves the Actions. If the settlement is approved and consummated, the Debtors will obtain the benefit of the Release set out in the Settlement Agreement which, as noted above, releases all Claims relating in any way to any conduct that is alleged in or could have been alleged in the Actions, including based on allegations that the Leases do not comply with or are in breach

of consumer protection legislation or other applicable law or constitute unenforceable contracts.

- (c) In the Monitor's view, the Class Action Settlement is, in practice, a necessary pre-condition for the implementation of a successful SISP in the CCAA Proceedings. As described above, based on preliminary discussions with potentially interested parties and certain financial advisory firms, the Monitor is of the view that there would be little or no interest in the Debtors' business or assets if the Actions are not resolved. By contrast, the Class Action Settlement, including the Releases to be given thereunder, will provide certainty to potential purchasers with respect to the validity and enforceability of the Leases, and therefore enhance the prospects of a going concern sale of the Debtors' lease portfolio and/or business.
- (d) The Plaintiffs claim rescission as a critical head of relief in the Actions if their claims against the Corporate Defendants are successful. The Leases are the Debtors' only material assets. Therefore, if the Class Action Settlement is not approved and the Plaintiffs are successful in obtaining the rescission of the Leases (or a declaration of unenforceability), the Debtors would be left with no material assets, to the detriment of all of the Debtors' stakeholders. In these circumstances, there would be no recovery for any of the Debtors' unsecured creditors. By contrast, the Class Action Settlement will preserve and maximize the value of the Debtors' assets.
- (e) The Class Action Settlement avoids any further delay and costs being incurred in connection with the Actions and will facilitate a timely and efficient resolution of the Debtors' insolvency. If the Class Action Settlement is not approved, it will take a considerable amount of time for the Bonnick Action to reach a determination on the merits, and there is a risk of appeals thereafter.
- (f) As part of the Class Action Settlement, a national class has been certified for settlement purposes. If the Class Action Settlement is not approved, the certification order will be set aside and the Bonnick Action will revert back to an Ontario-only class. In that circumstance, even if the plaintiffs in the Bonnick Action are ultimately

unsuccessful on the merits, there would still be a risk of claims and/or potential uncertainty around the enforceability of any Leases outside of Ontario, thereby further interfering with a successful SISP.

- (g) The Initial Cash Payment will be paid by PTC and Krimker (and not the Debtors).
- (h) The participation amount of 25% over \$250 million set out in the Settlement Agreement is reasonable in the circumstances. In the Bonnick Action, the Corporate Defendants have stated that they are not readily able to determine the exact number of persons in the proposed class but estimate that there are approximately 40,000 unique lessors associated with approximately 54,265 Leases. The number of lessors where a NOSI was also registered would be subsumed within this aggregate estimate. If there is a determination of liability in favour of the plaintiffs in the Bonnick Action, and aggregate damages are awarded to the class, the Monitor estimates, based on the size of the proposed class and the categories of damages sought<sup>8</sup>, that the class's claims are likely to exceed the Debtors' other unsecured claims.<sup>9</sup>
- (i) As at February 28, 2025, PTC was currently owed approximately \$274 million by the Debtors, taking into account DIP Facility advances, the secured pre-petition indebtedness outstanding under the warehouse loan agreements and the debenture, as well as in relation to the concurrent lease agreements. As such, PTC, as the

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<sup>8</sup> As noted above, the proposed class seeks damages for, among other things, the amounts by which the class members' payment under the Leases exceed the value that the goods or services have to the class members, the registration of undisclosed amounts on title, all amounts paid to remove the security interests from title, damage to their credit, and all their out of pocket and inconvenience damages, and in the alternative to damages, they seek disgorgement of the profits generated by the defendants as a result of their alleged wrongful conduct.

<sup>9</sup> As at November 16, 2023, the Monitor was aware of approximately \$5 million in outstanding unsecured claims, as set out in the list of known creditors posted on the Monitor's website. The Monitor is also aware of certain other unsecured claims, the largest of which are (i) a contingent claim by MNP Corporate Finance Inc. ("MNP") against the Debtors, in which MNP asserted at trial its damages to be in the approximate amount of \$15.6 million (including interest calculated at 1.5% per month compounded) and (ii) a pre-filing claim asserted by the Canada Revenue Agency against certain of the Debtors in the aggregate amount of \$2.7 million based on its audit of certain of the Debtors' sales tax accounts, which claim is being disputed by the Debtors. As at the date of this Sixth Report, the Monitor is not aware of any pre-filing arrears of employee related amounts, or required remittances of employee withholdings.

Debtors' fulcrum creditor, is the Debtors' stakeholder most interested in the compromises represented by the Settlement Agreement, which it supports.

- (j) Other than the two objections filed in connection with the Approval Hearing, the Monitor is not aware of any other objections to the Class Action Settlement.

## **IX. AMENDMENT TO DIP TERM SHEET**

- 63. As noted above, the DIP Term Sheet initially provided the Debtors with up to \$15 million in financing pursuant to the DIP Facility. Borrowings under the DIP Facility are secured by a super priority charge (the "**DIP Lender's Charge**") on all present and after-acquired personal and real, tangible or intangible property of the Debtors, granted in favour of the DIP Lender.
- 64. The DIP Lender and the Debtors previously entered into three amendments to the DIP Term Sheet, including most recently on January 3, 2025, which, among other things, (a) increased the maximum availability under the DIP Facility to \$30 million; and (b) extended the maturity date to April 4, 2025.
- 65. As noted above, total borrowings under the DIP Facility since the Initial Order Date were \$28.6 million as at March 22, 2025.
- 66. On March 24, 2025, the DIP Lender and the Debtors entered into the fourth amendment to the DIP Term Sheet (the "**Fourth DIP Amendment**"), a copy of which is attached hereto as **Appendix "E"**. The Fourth DIP Amendment amended the following provisions to the DIP Term Sheet:
  - (a) Maximum Availability – increased from \$30 million to \$34 million; and
  - (b) Maturity Date – extended from April 4, 2025 to July 4, 2025, or such later date as the DIP Lender in its sole and absolute discretion may agree to in writing.
- 67. The Monitor, for and on behalf of the Debtors, is seeking approval of (i) the Fourth DIP Amendment and (ii) an amendment to paragraph 39 of the ARIO to authorize borrowings

under the DIP Facility of up to \$34 million to account for the projected funding required during the Forecast Period. The DIP Lender's Charge will continue to secure all obligations outstanding under the DIP Facility.

68. The Monitor is of the view that the Fourth DIP Amendment and proposed amendment to paragraph 39 of the ARIO is reasonable and necessary in the circumstances, as the Debtors require the liquidity to operate during the Forecast Period.

## **X. UPDATE ON OTHER MATTERS IN THE CCAA PROCEEDINGS**

### **Timing of SISP**

69. To the extent the CCAA Court grants the Settlement Approval Order and Fifth Stay Extension Order and extends the Stay Period to and including July 4, 2025, the Monitor intends to use the extended stay period to continue to advance, in consultation with the CRO and the DIP Lender, the development of a SISP in respect of some or all of the Debtors' business or assets, with a view to entering into a value-maximizing transaction. To that end, the Monitor has tentatively scheduled a hearing on April 29, 2025 to bring a motion, for and on behalf of the Debtors, to seek approval of, among other things, a SISP.

## **XI. STAY EXTENSION**

70. The current stay of proceedings expires on April 4, 2025.
71. The Monitor, for and on behalf of the Debtors, proposes an extension of the stay of proceedings to and including July 4, 2025 for the following reasons:
- (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 Period will permit the class action parties, which includes certain of the Debtors, to effectuate and conclude the Settlement Agreement (if approved by the CCAA Court);

- (c) the extension of the Stay Period will provide the Monitor, in consultation with the CRO and the DIP Lender, with the opportunity to finalize and seek approval of a SISP;
- (d) as of the date of this Sixth Report, the Monitor is not aware of any party opposed to an extension of the Stay Period; and
- (e) the extension of the Stay Period should not materially prejudice any creditor of the Debtors as 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 Period.

## **XII. MONITOR'S RECOMMENDATIONS**

- 72. For the reasons set out in this Sixth Report, the Monitor is of the view that the relief requested pursuant to the Settlement Approval Order and the Fifth Stay Extension Order is both appropriate and reasonable. The Monitor is also of the view that the Debtors, under the stewardship of the CRO and supervision of the Monitor, are acting in good faith and with due diligence. Granting the relief sought will provide the Debtors with the best opportunity to explore restructuring options under the CCAA that would seek to maximize creditor and stakeholder recoveries.
- 73. Based on the foregoing, the Monitor respectfully recommends that the CCAA Court approve the relief sought in the proposed Settlement Approval Order and the Fifth Stay Extension Order.

All of which is respectfully submitted this 25<sup>th</sup> day of March, 2025.

**KPMG Inc.**

**In its capacity as Monitor of**

**Crown Crest Capital Management Corp., Crest Financial Corp., Crown Crest Funding Corp., Simply Green Home Services Inc., Simply Green Home Services Corp., and Crown Crest Capital Trust**

**and not in its personal or corporate capacity**

Per:



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**Pritesh Patel**  
**CIRP, LIT**  
Senior Vice President



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**Tim Montgomery**  
**CIRP, LIT**  
Vice President

# **Appendix “A”**

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

**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**

**FIFTH REPORT OF KPMG INC.,  
IN ITS CAPACITY AS MONITOR**

**January 3, 2025**

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## APPENDICES

**APPENDIX “A”** – Cash Flow Forecast for the period from December 22, 2024 to April 5, 2025

**APPENDIX “B”** – Third DIP Amendment dated January 3, 2025

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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  
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**

**FIFTH REPORT OF KPMG INC.  
IN ITS CAPACITY AS MONITOR**

**January 3, 2025**

## I. INTRODUCTION

1. On November 9, 2023 (the “**Initial Order Date**”), on the application of Peoples Trust Company (“**PTC**”), the Honourable Madam Justice Conway of the Ontario Superior Court of Justice (Commercial List) (the “**CCAA Court**”) issued an order (the “**Initial Order**”) granting Crown Crest Financial Corp., Simply Green Home Services Inc., Simply Green Home Services Corp., Crown Crest Capital Management Corp., Crown Crest Funding Corp., and Crown Crest Capital Trust (collectively, the “**Crown Crest Leasing Group**” or the “**Debtors**”) protection pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), and appointing KPMG Inc. (“**KPMG**”) as the Monitor of the Crown Crest Leasing Group (the “**Monitor**”).
2. The Initial Order, among other things:
  - (a) approved the appointment of HWS Consulting Inc. (“**HWS**”), acting through Josef Prosperi and others, to act as the Chief Restructuring Officer (the “**CRO**”) of the Debtors pursuant to an engagement letter dated November 8, 2023 (the “**CRO Engagement Letter**”);
  - (b) approved the terms of an interim financing facility (the “**DIP Facility**”), with a maximum principal amount of \$15 million, provided by PTC (in such capacity, the “**DIP Lender**”) to the Debtors, pursuant to a DIP facility term sheet dated November 9, 2023 (the “**DIP Term Sheet**”), and ordered that borrowings under the DIP Facility could not exceed \$1.1 million unless otherwise ordered by the CCAA Court; and
  - (c) provided the Debtors with a stay of proceedings to and including November 19, 2023.
3. At the comeback hearing held on November 17, 2023, the CCAA Court issued the Amended and Restated Initial Order (the “**ARIO**”), which incorporated certain amendments to the Initial Order granted on the Initial Order Date, including extending the stay of proceedings in respect of the Debtors to and including February 10, 2024. The ARIO authorized the increase of the maximum borrowings under the DIP Facility to \$10 million.

4. On February 5, 2024, the CCAA Court issued an Order, among other things, (a) extending the stay of proceedings to and including May 10, 2024, and (b) increasing the maximum borrowings permitted under the DIP Facility to \$15 million.
5. On May 7, 2024, the CCAA Court issued an Order (the “**Second Stay Extension Order**”), among other things, (a) extending the stay of proceedings to and including September 27, 2024; (b) increasing the maximum borrowings permitted under the DIP Facility to \$21 million; and (c) approving the First DIP Amendment (as defined and attached to the Third Report (as defined herein)), including the extension of the maturity date to September 28, 2024.
6. On September 25, 2024, the CCAA Court issued an Order (the “**Third Stay Extension Order**”), among other things:
  - (a) extending the stay of proceedings to and including January 31, 2025 (the “**Stay Period**”);
  - (b) increasing the maximum borrowings permitted under the DIP Facility to \$25 million;
  - (c) approving the Second DIP Amendment (as defined and attached to the Fourth Report (as defined herein)), including the extension of the maturity date to January 31, 2025;
  - (d) approving the actions, activities and conduct of the Monitor described in the pre-filing report of the Proposed Monitor dated November 6, 2023, the first report of the Monitor dated November 16, 2023, the second report of the Monitor dated January 29, 2024, the third report of the Monitor dated May 1, 2024 (the “**Third Report**”), and the fourth report of the Monitor dated September 19, 2024 (the “**Fourth Report**”); and
  - (e) approving the fees and disbursements of KPMG and its counsel, Osler, Hoskin & Harcourt LLP (“**Osler**”), incurred through to July 31, 2024.
7. KPMG, in its capacities as Proposed Monitor and Monitor, has previously provided the CCAA Court with five (5) reports.

8. Copies of materials and documents filed in connection with these CCAA proceedings are available on the Monitor’s website at [kpmg.com/ca/crowncrest](http://kpmg.com/ca/crowncrest). In addition, KPMG has arranged for a toll-free hotline at 1-833-668-6400 and an email address at [crowncrest@kpmg.ca](mailto:crowncrest@kpmg.ca) through which creditors of the Debtors or other interested parties can make inquires related to these CCAA proceedings.

## II. PURPOSE OF REPORT

9. The purpose of this report (the “**Fifth Report**”) is to provide the CCAA Court with information pertaining to:
- (a) an overview of the activities of the Debtors, under the stewardship of the CRO, and the Monitor since the issuance of the Third Stay Extension Order;
  - (b) the Debtors’ reported receipts and disbursements for the period from September 15, 2024 to December 21, 2024 (the “**September 15 Cash Flow Forecast**”), including a comparison of reported to forecasted results;
  - (c) the Debtors’ cash flow forecast (the “**Updated Cash Flow Forecast**”) for the period December 22, 2024 to April 5, 2025 (the “**Forecast Period**”);
  - (d) the proposed amendments to the DIP Term Sheet; and
  - (e) the Monitor’s motion requesting, for and on behalf of the Debtors, that the CCAA Court issue an Order (the “**Fourth Stay Extension Order**”), among other things:
    - (i) approving the Third DIP Amendment (as defined herein) and amending paragraph 39 of the ARIO to increase the maximum borrowings permitted under the DIP Facility to \$30 million;
    - (ii) approving the Work Fee (as defined herein) of \$65,000 per month payable to the CRO by the Debtors pursuant to the CRO Engagement Letter for an additional three months, from February 2025 to April 2025; and

(iii) extending the Stay Period to and including April 4, 2025.

### III. TERMS OF REFERENCE

10. In preparing this Fifth Report, KPMG has relied solely on information and documents provided to it by the Debtors, the CRO, and their respective advisors, including unaudited, draft and/or internal financial information, financial projections prepared by the Debtors, and discussions with management of the Debtors and the CRO (collectively, the “**Information**”). In accordance with industry practice, except as otherwise described in the Fifth Report, KPMG has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, KPMG has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards (“**GAAS**”) pursuant to the *Chartered Professional Accountant of Canada Handbook* and, as such, KPMG expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
11. The Fifth Report should be read in conjunction with the Affidavit of Mr. Josef Prospero sworn January 3, 2025 (the “**January 3 Prospero Affidavit**”), filed by Osler, on behalf of the CRO, in support of this motion, as certain information contained in the January 3 Prospero Affidavit has not been included herein in order to avoid unnecessary duplication.
12. Future orientated financial information contained in the Updated Cash Flow Forecast is based on the Debtors’ estimates and assumptions regarding future events. Actual results will vary from the information presented even if the hypothetical assumptions occur, and variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Updated Cash Flow Forecast will be achieved.
13. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

#### **IV. ACTIVITIES OF THE DEBTORS AND THE CRO**

14. The Debtors, under the stewardship of the CRO and the supervision of the Monitor, stabilized the Debtors' business following the commencement of these CCAA proceedings and have been conducting operations in the ordinary course since that time. The CRO, with the assistance of the Monitor, has performed the following activities since the date of the Third Stay Extension Order, as further detailed in the January 3 Prosperi Affidavit:

- (a) substantially completing the global data review project to, among other things, conform the various lease types into saleable portfolios;
- (b) actively participating in the discussions and mediation which culminated in the Class Action Settlement (as defined herein) which, as described in greater detail below, is subject to court approval by the Class Action Judge (as defined herein) and the CCAA Court;
- (c) commencing preliminary preparations for a SISP (as defined herein);
- (d) conducting financial analysis and developing various financial models in an effort to arrive at an appropriate path to settlement of the Class Action Proceedings (as defined herein);
- (e) continuing to develop and implement certain cost-saving initiatives which have assisted the Debtors in operating within the cash flow projections;
- (f) re-aligning internal resources after the implementation of the cost saving initiatives to allow same to continue to carry through operations with minimal disruption to customer service, collection and billing; and
- (g) continuing to operate the day-to-day business of the Debtors and maintain the engagement of internal personnel.

## V. ACTIVITIES OF THE MONITOR

15. Since the date of the Third Stay Extension Order, the Monitor's activities have included:
- (a) monitoring the Debtors' cash flows and reviewing analyses on variances to the Debtors' cash flow forecast;
  - (b) corresponding and communicating with an interested party to sell the Debtors' interests and rights to certain RNC related equipment or assets;
  - (c) communicating with certain interested parties regarding the business of the Debtors and their potential interest in same;
  - (d) assisting the Debtors, in consultation with the CRO, with the preparation of the Updated Cash Flow Forecast;
  - (e) corresponding and communicating with the DIP Lender and its counsel in respect of the Debtors' cash flows, the Updated Cash Flow Forecast and other matters relating to these CCAA proceedings;
  - (f) assisting the Debtors and the CRO with their communications with stakeholders including employees, vendors, key partners and creditors;
  - (g) communicating, through counsel, with counsel of record for the plaintiffs in the Class Action Proceedings and with other counsel of record involved in such proposed class actions;
  - (h) with the assistance of legal counsel, facilitating and participating in the Mediation (as defined herein), and related settlement discussions, which culminated in the Class Action Settlement which is subject to court approval;
  - (i) attending case conferences before the CCAA Court in connection with the Class Action Settlement;
  - (j) considering and advancing preliminary SISP materials;

- (k) reviewing materials filed by the CRO in connection with the within motion; and
- (l) with the assistance of its legal counsel, preparing this Fifth Report and the motion materials for the Fourth Stay Extension Order.

**VI. CASH RECEIPTS AND DISBURSEMENTS FROM SEPTEMBER 15, 2024 TO DECEMBER 21, 2024**

- 16. The September 15 Cash Flow Forecast was filed with the CCAA Court in support of the hearing for the Third Stay Extension Order.
- 17. The Debtors have continued to provide the Monitor with their co-operation and access to their premises, books and records. The Monitor has implemented procedures for monitoring the Debtors' receipts and disbursements on a weekly basis. The Monitor has also worked with the Debtors to prepare forecast to actual variance analyses with respect to their weekly cash flows as compared to the September 15 Cash Flow Forecast.
- 18. A comparison of the Debtors' actual cash receipts and disbursements as compared to the September 15 Cash Flow Forecast for the 14-week period ending December 21, 2024, is summarized as follows:

<b>Crown Crest Leasing Group</b>			
<b>Summary of Actual Receipts and Disbursements</b>			
<i>For the 14-week period from September 15, 2024 ending December 21, 2024</i>			
<b>In C\$; unaudited</b>			
	<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>
			Fav/(Unfav)
<b>Receipts</b>			
Customer receipts	15,312,507	16,793,426	(1,480,919)
Other receipts	567,165	596,064	(28,899)
<b>Total customer receipts</b>	<b>15,879,672</b>	<b>17,389,490</b>	<b>(1,509,818)</b>
<b>Operating disbursements</b>			
Technical servicing	1,176,555	1,922,592	746,037
Billing cost	105,231	103,831	(1,400)
Adjudication	-	13,825	13,825
Third-party call centre	278,762	253,652	(25,111)
General & administrative	320,078	390,592	70,514
IT	470,594	440,795	(29,799)
Rent and utilities	191,391	201,739	10,348
Payroll	2,237,996	2,217,286	(20,710)
Professional fees	1,557,204	1,867,513	310,309
Tax remittances	1,415,611	1,446,759	31,148
<b>Total operating disbursements</b>	<b>7,753,422</b>	<b>8,858,583</b>	<b>1,105,161</b>
<b>Net operating cash flow</b>	<b>8,126,250</b>	<b>8,530,907</b>	<b>(404,657)</b>
Debt servicing	14,347,679	14,984,190	636,511
Net cash flow before external funding	(6,221,429)	(6,453,282)	231,854
DIP funding	6,000,000	6,000,000	-
<b>Net cash flow</b>	<b>(221,429)</b>	<b>(453,282)</b>	<b>231,854</b>
Opening cash	1,822,391	1,822,391	-
Net cash flow	(221,429)	(453,282)	231,854
<b>Ending cash</b>	<b>1,600,963</b>	<b>1,369,109</b>	<b>231,854</b>
<b>Cumulative DIP Facility (excl. accrued interest)</b>			
Opening balance	16,800,000	20,800,000	(4,000,000)
DIP funding	6,000,000	6,000,000	-
<b>Closing balance</b>	<b>22,800,000</b>	<b>26,800,000</b>	<b>(4,000,000)</b>

19. As reflected in the summary table above, the Debtors reported a net negative cash outflow of approximately \$6.2 million over the 14-week period, after concurrent lease agreement (“CLA”) and debt servicing payments. The net negative cash outflow was funded by 6.0 million of advances under the DIP Facility, taking total DIP Facility advances to \$22.8 million since the commencement of these CCAA proceedings. As at December 21, 2024, the Debtors had a cash balance of approximately \$1.6 million, a positive variance of \$0.2 million as compared to the September 15 Cash Flow Forecast.

20. The \$0.2 million positive cash variance can be summarized as follows:
- (a) a negative variance of \$1.5 million related to customer receipts, which was primarily due to reduced volume of buyouts of equipment leased by the Debtors' customers and temporary delinquencies arising from the transition of Enbridge customers to other payment methods, such as pre-authorized payments;
  - (b) a positive variance of \$1.1 million related to operating disbursements, primarily the result of lower than forecast technical servicing costs (\$0.7 million) due to the catch-up of remaining post-filing warranty credits with the Debtors' key equipment suppliers and lower call-out volumes compared to historical actuals. There was also a positive variance on professional fees (\$0.3 million) due to timing; and
  - (c) a positive variance of \$0.6 million in CLA and debt servicing payments, which is primarily due to the reduced volume of buyouts.
21. Pursuant to the ARIO, the Debtors had the authority to make payments of up to \$750,000 in total for certain arrears owing to suppliers prior to the Initial Order Date, provided that such payments, in the opinion of the CRO, in consultation with the Monitor, were essential for the continued operation of the business. As at December 21, 2024, the Debtors had made approximately \$681,000 in payments primarily to technical servicing suppliers for expenses incurred prior to the Initial Order Date. Technical servicing is essential to ensure that customer equipment is maintained in a good and functional state of repair and to ensure that the Debtors' repair commitments are performed. The Debtors do not anticipate material additional disbursements, if any, in relation to technical servicing expenses incurred prior to the Initial Order Date.

## **VII. UPDATED CASH FLOW FORECAST**

22. The Debtors, with the assistance of the Monitor and in consultation with the CRO, have prepared the Updated Cash Flow Forecast for the purpose of projecting the estimated liquidity needs of the Debtors during the Forecast Period. A copy of the Updated Cash Flow Forecast, the accompanying notes and a report containing prescribed representations

regarding the preparation of the Updated Cash Flow Forecast are attached hereto as **Appendix “A”**.

23. The Updated Cash Flow Forecast has been prepared on a conservative basis using probable and hypothetical assumptions set out in the notes to the Updated Cash Flow Forecast. The Updated Cash Flow Forecast reflects the Debtors’ estimates of receipts and disbursements on a weekly basis over the Forecast Period.
24. The Monitor’s review of the Updated Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to Information supplied to it by the Debtors and/or the CRO. Since the probable and hypothetical assumptions need not be supported, the Monitor’s procedures with respect to these assumptions were limited to evaluating whether they were consistent with the purpose of the Updated Cash Flow Forecast. The Monitor also reviewed the support provided by the Debtors and/or the CRO for the probable and hypothetical assumptions, and the preparation and presentation of the Updated Cash Flow Forecast.
25. Forecast operating cash receipts over the Forecast Period total approximately \$17.7 million, primarily related to the collection of monthly payments from the customers of the Debtors.
26. Forecast total disbursements (excluding debt servicing costs) over the Forecast Period total approximately \$8.3 million and primarily consist of payroll (\$1.9 million), costs associated with the technical servicing (call-outs, repairs and maintenance) of the portfolio (\$2.1 million), professional fees (\$1.2 million) and sales tax remittances (\$1.6 million).
27. Over the Forecast Period, a total of approximately \$15.9 million will be paid to PTC to service debts owing under the warehouse loan agreements and secured debenture facilities with PTC and in respect of the CLAs.
28. After CLA and debt servicing payments, the Debtors are projected to incur a net cash outflow of approximately \$5.0 million over the Forecast Period. Accordingly, the Updated Cash Flow Forecast projects the use of cash on hand as of the beginning of the Forecast

Period and additional borrowings under the DIP Facility in the amount of \$5 million over the Forecast Period. These amounts may differ due to the timing of receipts and disbursements during the Forecast Period. Accordingly, borrowings under the DIP Facility are projected to increase to \$29.8 million by the end of the Forecast Period, including the capitalization of accrued interest on a monthly basis.

29. The Monitor notes that the Updated Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

## **VIII. AMENDMENT TO DIP TERM SHEET**

30. As noted above, the DIP Term Sheet initially provided the Debtors with up to \$15 million in financing pursuant to the DIP Facility. Borrowings under the DIP Facility are secured by a super priority charge (the “**DIP Lender’s Charge**”) on all present and after-acquired personal and real, tangible or intangible property of the Debtors, granted in favour of the DIP Lender.
31. The DIP Lender and the Debtors previously entered into two amendments to the DIP Term Sheet, including most recently on September 18, 2024, which, among other things, (a) increased the maximum availability under the DIP Facility to \$25 million; and (b) extended the maturity date to January 31, 2025.
32. Total borrowings under the DIP Facility since the Initial Order Date were \$22.8 million as at December 21, 2024.
33. On January 3, 2025, the DIP Lender and the Debtors entered into the third amendment to the DIP Term Sheet (the “**Third DIP Amendment**”), a copy of which is attached hereto as **Appendix “B”**. The Third DIP Amendment amended the following provisions to the DIP Term Sheet:
  - (a) Maximum Availability – increased from \$25 million to \$30 million; and

(b) Maturity Date – extended from January 31, 2025 to April 4, 2025, or such later date as the DIP Lender in its sole and absolute discretion may agree to in writing.

34. The Monitor, for and on behalf of the Debtors, is seeking approval of (i) the Third DIP Amendment and (ii) an amendment to paragraph 39 of the ARIO to authorize borrowings under the DIP Facility of up to \$30 million to account for the projected funding required during the Forecast Period. The DIP Lender’s Charge will continue to secure all obligations outstanding under the DIP Facility.
35. The Monitor is of the view that the Third DIP Amendment and proposed amendment to paragraph 39 of the ARIO is reasonable and necessary in the circumstances, as the Debtors require the liquidity to operate during the Forecast Period.

#### **IX. UPDATE ON CLASS ACTION PROCEEDINGS**

36. As described in the Fourth Report, since the Initial Order Date, the Monitor, through its counsel, has been actively engaged with counsel of record for the plaintiffs and all other counsel of record involved in a proposed class action commenced against certain of the Debtors and their former CEO, Mr. Lawrence Krimker (the “**Bonnick Action**”) and a separate proposed class action commenced by the plaintiffs against PTC, which is related to the Bonnick Action (the “**PTC Action**” and together, the “**Actions**” and the proceedings, the “**Class Action Proceedings**”). The class action parties, together with the Monitor and the CRO, attended a three-day mediation with the Honourable Thomas J. McEwen and McEwen Resolutions Inc. as mediator (the “**Mediator**”) in August 2024 to see if a consensual settlement of the issues in both Actions could be achieved.
37. Since the issuance of the Third Stay Extension Order, the class action parties attended an additional mediation session with the Mediator on September 19, 2024. The Monitor and the CRO actively participated in the mediation.
38. Following the September Mediation, the parties had not been able to achieve a settlement and therefore proceeded to a contested certification and summary judgment motion before

Justice Akbarali, as case management judge of the Actions (the “**Class Action Judge**”), which commenced on October 1, 2024 and was scheduled for three days.

39. Following the first day of the certification motion, the class action parties reached a tentative settlement of both Actions. The parties advised the Class Action Judge that they wished to set the matter down to finalize the proposed settlement. On November 1, 2024, the class action parties signed the final settlement agreement (the “**Settlement Agreement**”) and thereafter advised the Class Action Judge and the CCAA Court that a settlement had been achieved (the “**Class Action Settlement**”). The key terms of the Settlement Agreement, which is subject to approval by both the Class Action Judge and the CCAA Court, include:
- (a) an initial cash payment to the class from the defendants of \$17 million within 30 days after the Effective Date (as defined in the Settlement Agreement);
  - (b) the cancellation of certain leases with an aggregate value of \$13,500,000;
  - (c) a permanent cap at 3.5% on annual escalation of lease payments for all leases held as of the date of the Settlement Agreement;
  - (d) the permanent reduction by 25% of contractual buyout / termination fees on certain leases held as of the date of the Settlement Agreement;
  - (e) 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; and
  - (f) the class’ 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.

40. Pursuant to the Settlement Agreement, class members may elect to opt out of the Class Action Settlement by submitting a valid Opt Out Form (as defined in the Settlement Agreement) to class counsel by January 15, 2025. Class members who do not opt out by this deadline are deemed to have elected to participate in the Class Action Settlement. Should the number of opt-outs exceed the Opt Out Threshold (as defined in the Settlement Agreement), the amount of which remains confidential, the settling defendants may terminate the Settlement Agreement or waive this threshold and complete the Class Action Settlement. The Settlement Agreement provides that the Class Action Settlement does not constitute an admission of liability by any of the class action parties. If the Settlement agreement is terminated, any certification motion based on the Settlement Agreement will not proceed and the class action parties have agreed to cooperate to have any prior order certifying the Actions for settlement purposes set aside.
41. In order to effect the Class Action Settlement, the class action parties required a partial and limited lifting of the stay of proceedings in these CCAA proceedings, including 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, and to seek certification (for settlement purposes) of the Actions. Therefore, the Monitor provided its consent to lift the stay of proceedings in this limited manner, in accordance with paragraph 14 of the ARIO. This limited lifting of the stay is contingent on the Class Action Settlement ultimately being approved by the Class Action Judge and the CCAA Court.
42. Following the execution of the Settlement Agreement, class counsel brought certain motions before the Class Action Judge seeking various relief, all for purposes of moving towards a settlement approval hearing, including:
- (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 for settlement purposes only; and

- (d) approving the notice plan and proposed notices of the class action settlement approval hearing.
43. Justice Akbarali released her endorsement on November 15, 2024 in *Bonnick v. Krimker et al.*, 2024 ONSC 6331. Copies of the orders and endorsement dated November 15, 2024 are attached hereto as **Appendix “C”**.
44. The notices of settlement set out, among other things, that a settlement approval hearing has been scheduled for February 4, 2025 before the Class Action Judge (the “**Approval Hearing**”). The notices also provide that class members may opt out of the Class Action Settlement by no later than January 15, 2025, or submit objections or comments on the Class Action Settlement to class counsel by December 31, 2024. The Monitor has been advised by class counsel that the notices have now been distributed by class counsel in accordance with the notice plan. On December 13, 2024, the Class Action Judge granted class counsel’s motion for appointment of an administrator to administer the settlement.
45. If approved by the Class Action Judge at the Approval Hearing, the Monitor and the CRO propose to come back before the CCAA Court to schedule a motion for consideration and approval, on behalf of the Debtors, of the Class Action Settlement and the Settlement Agreement by the CCAA Court. At present, that motion has not yet been scheduled. If ultimately approved by the Class Action Judge and the CCAA Court and implemented, the Class Action Settlement will facilitate the conduct of a SISF in these CCAA proceedings by the Monitor, with the assistance of the CRO and in consultation with stakeholders, for some or all of the Debtors’ business or assets, at the appropriate time.

## **X. UPDATE ON OTHER MATTERS IN THE CCAA PROCEEDINGS**

### **RNC Update**

46. The Debtors historically originated certain leases in Ontario through supplying heating, ventilation and air conditioning (“**HVAC**”) equipment to builders of new residential homes. The Monitor understands that the majority of the RNC business was operated through the Debtors’ joint venture partner, HCSI Home Comfort 2 Inc. (“**HCSI**”), as well as internally through New Simply Green.
47. As noted in the Third Report, the Debtors and HCSI each entered into agreements (the “**BSA Assignment Transaction**”) with a third party (the “**Assignee**”) to assign all of their respective right, title and interest in certain builder site agreements in exchange for a future commission to be earned by New Simply Green or HCSI, as applicable, based on the Assignee’s fulfilment of the obligations under the builder site agreements. The consideration to be received by the Debtors under the BSA Assignment Transaction (no funds were received on closing) was not expected to exceed the thresholds set forth in paragraph 11(a) of the ARIO and as such, Court approval was not sought in the circumstances. To date, the Monitor understands no funds have been received by the Debtors pursuant to the BSA Assignment Transaction.
48. Since that time, HCSI, the Debtors and the CRO, with the assistance of the Monitor, have engaged in discussions with the Assignee regarding selling their respective interests in certain equipment previously delivered to builder sites prior to the Initial Order Date but which have not generated rental agreements due to outstanding pre-filing amounts owed to the builders under the builder site agreements. On November 30, 2024, the Debtors and HCSI each entered into agreements (the “**Equipment Transaction**”) with the Assignee to sell HVAC equipment delivered by New Simply Green or HCSI, as applicable, to a single builder site in exchange for cash consideration. The Equipment Transaction generated net proceeds of \$80,688 (exclusive of sales taxes) for the Debtors, which amount was paid by the Assignee to the Monitor, on behalf of the Debtors, on December 19, 2024. The Monitor remitted the funds to the Debtors on December 23, 2024.

49. Court approval for the Equipment Transaction was not sought or required as the proceeds generated therefrom did not exceed the thresholds set forth in paragraph 11(a) of the ARIO.
50. The Debtors and HCSI, in consultation with the Monitor, are also in discussions with the Assignee regarding selling their respective interests in the equipment delivered to other builder sites prior to the Initial Order Date. The Monitor will report to this Court in due course depending on the outcome of these discussions.

### **Amendment to CRO Agreement**

51. The CRO Engagement Letter was amended pursuant to the Third Stay Extension Order dated September 25, 2024. This order approved the monthly fee payable to the CRO by the Debtors (the “**Work Fee**”) of \$65,000 per month for the four-month period commencing in October 2024 through to January 2025.
52. Further to discussions between the CRO, the Monitor, PTC and their respective counsel, the CRO and the PTC have agreed to an amendment, in consultation with the Monitor, to maintain the Work Fee at \$65,000 per month for an additional three months, from February 2025 through to April 2025 (the “**Fourth CRO Amendment**”).
53. The Monitor was consulted with respect to the Fourth CRO Amendment, and is supportive of same as, in the Monitor’s view, the CRO’s total remuneration is generally comparable with compensation paid to other chief restructuring officers in similarly sized cases.

### **Timing on SISP**

54. To the extent the CCAA Court grants the Fourth Stay Extension Order and extends the Stay Period to and including April 4, 2025, the Monitor intends to use the extended stay period to continue to advance, in consultation with the CRO and the DIP Lender, the development of a SISP in respect of some or all of the Debtors’ business or assets, with a view to entering into a value-maximizing transaction.

55. As described above, the Monitor notes that the timing of the SISP is dependent on a number of factors, including the timing for approval and, if approved, implementation of the Class Action Settlement. As such, the CRO and the Monitor continue to consider and discuss the optimal timing for the potential SISP.

## **XI. STAY EXTENSION**

56. The current stay of proceedings expires on January 31, 2025. The Monitor, for and on behalf of the Debtors, is seeking an extension of the Stay Period to and including April 4, 2025.

57. The Monitor, for and on behalf of the Debtors, proposes an extension of the stay of proceedings to and including April 4, 2025 for the following reasons:

- (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 Period will allow the time required to bring a motion before the CCAA Court for approval of the Class Action Settlement, if it is approved by the Class Action Judge at the Approval Hearing on February 4, 2025;
- (c) the extension of the Stay Period will provide the Monitor, in consultation with the CRO and the DIP Lender, with the opportunity to continue to advance the development of the SISP, and seek the CCAA Court's approval of same;
- (d) as of the date of this Fifth Report, the Monitor is not aware of any party opposed to an extension of the Stay Period; and
- (e) the extension of the Stay Period should not materially prejudice any creditor of the Debtors as 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 Period.

## **XII. MONITOR'S RECOMMENDATIONS**

58. For the reasons set out in this Fifth Report, the Monitor is of the view that the relief requested pursuant to the Fourth Stay Extension Order is both appropriate and reasonable. The Monitor is also of the view that the Debtors, under the stewardship of the CRO and supervision of the Monitor, are acting in good faith and with due diligence. Granting the relief sought will provide the Debtors with the best opportunity to explore restructuring options under the CCAA that would seek to maximize creditor and stakeholder recoveries.
59. Based on the foregoing, the Monitor respectfully recommends that the CCAA Court approve the relief sought in the proposed Fourth Stay Extension Order.

All of which is respectfully submitted this 3<sup>rd</sup> day of January 2025.

**KPMG Inc.**

**In its capacity as Monitor of**

**Crest Financial Corp., Simply Green Home Services Inc., Simply Green Home Services Corp., Crown Crest Capital Management Corp., Crown Crest Funding Corp. and Crown Crest Capital Trust**

**and not in its personal or corporate capacity**

Per:



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**Pritesh Patel**  
**CIRP, LIT**  
Senior Vice President



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**Tim Montgomery**  
**CIRP, LIT**  
Vice President

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., AND CROWN CREST CAPITAL TRUST

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

PROCEEDING COMMENCED AT TORONTO

**FIFTH REPORT OF THE MONITOR**

**OSLER, HOSKIN & HARCOURT LLP**

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Lawyers for KPMG 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  
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**

**(collectively the “Crown Crest Leasing Group” or the “Respondents”)**

**MANAGEMENT’S REPORT ON CASH FLOW STATEMENT  
(paragraph 10(2)(b) of the CCAA)**

The management of the Crown Crest Leasing Group have developed the assumptions and prepared the attached statement of projected cash flow as of the 24<sup>th</sup> day of March 2025, consisting of the period from March 23, 2025 to July 5, 2025 (the “**Updated Cash Flow Forecast**”).

The hypothetical assumptions are reasonable and consistent with the purpose of the Updated Cash Flow Forecast described in the notes therein, and the probable assumptions are suitably supported and consistent with the plans of the Respondents and provide a reasonable basis for the Updated Cash Flow Forecast. All such assumptions are disclosed in the notes therein.

Since the Updated Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The Updated Cash Flow Forecast has been prepared solely for the purpose described in the notes therein, using the probable and hypothetical assumptions set out therein. Consequently, readers are cautioned that the Updated Cash Flow Forecast may not be appropriate for other purposes.

Dated at Creemore, in the Province of Ontario, this 25<sup>th</sup> day of March 2025.

**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**



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**Josef Prosperi**  
Chief Restructuring Officer

The Crown Crest Leasing Group  
Weekly Cash Flow Forecast  
In C\$; unaudited

	Notes	Forecast 1 29-Mar-25	Forecast 2 5-Apr-25	Forecast 3 12-Apr-25	Forecast 4 19-Apr-25	Forecast 5 26-Apr-25	Forecast 6 3-May-25	Forecast 7 10-May-25	Forecast 8 17-May-25	Forecast 9 24-May-25	Forecast 10 31-May-25	Forecast 11 7-Jun-25	Forecast 12 14-Jun-25	Forecast 13 21-Jun-25	Forecast 14 28-Jun-25	Forecast 15 5-Jul-25	Total
<b>Receipts</b>																	
Customer receipts	2	545,332	2,833,247	331,017	743,326	490,957	3,029,848	303,568	799,802	367,735	524,361	2,893,135	581,728	574,092	645,332	2,770,213	17,433,694
Other Receipts	3	1,200,000	-	-	-	-	-	-	-	-	-	-	-	-	-	1,200,000	2,400,000
<b>Total Customer Receipts</b>		<b>1,745,332</b>	<b>2,833,247</b>	<b>331,017</b>	<b>743,326</b>	<b>490,957</b>	<b>3,029,848</b>	<b>303,568</b>	<b>799,802</b>	<b>367,735</b>	<b>524,361</b>	<b>2,893,135</b>	<b>581,728</b>	<b>574,092</b>	<b>1,845,332</b>	<b>2,770,213</b>	<b>19,833,694</b>
<b>Operating Disbursements</b>																	
Technical servicing	4	137,328	137,328	137,328	137,328	137,328	137,328	137,328	137,328	137,328	137,328	137,328	137,328	137,328	137,328	137,328	2,059,920
Billing cost	4	2,315	25,631	36	100	9,808	26,115	41	94	9,763	941	25,251	70	8,051	2,315	25,621	136,151
Adjudication	4	882	758	1,345	28	655	1,012	550	991	197	1,471	395	1,118	224	882	746	11,253
Third-party call centre	4	-	96,855	-	-	-	96,855	-	-	-	-	96,855	-	-	-	96,855	387,420
General & administrative	4	20,681	29,743	12,830	34,029	29,459	13,258	24,070	35,789	21,052	23,175	25,710	24,654	30,161	20,681	24,005	369,298
IT	4	15,170	32,327	32,075	50,045	15,170	-	59,449	4,953	50,045	15,170	32,327	32,075	50,045	15,170	32,327	436,347
Rent and utilities	5	-	70,994	-	-	-	70,994	-	-	-	-	70,994	-	-	-	70,994	283,976
Payroll	6	-	214,036	-	244,036	-	229,036	-	254,036	-	214,036	-	244,036	-	214,036	-	1,613,251
Professional fees	7	164,850	40,550	85,750	85,750	130,950	40,550	85,750	85,750	1,000	130,950	114,000	85,750	1,000	130,950	198,750	1,382,300
Tax remittances (HST)	8	-	387,740	-	-	-	435,720	-	-	-	410,070	-	-	-	-	425,869	1,659,400
<b>Total Operating Disbursements</b>		<b>341,226</b>	<b>1,035,962</b>	<b>269,364</b>	<b>551,316</b>	<b>323,370</b>	<b>1,050,868</b>	<b>307,187</b>	<b>518,942</b>	<b>219,384</b>	<b>933,141</b>	<b>502,860</b>	<b>525,031</b>	<b>226,810</b>	<b>521,361</b>	<b>1,012,495</b>	<b>8,339,316</b>
<b>Net Operating Cash Flow</b>		<b>1,404,107</b>	<b>1,797,285</b>	<b>61,653</b>	<b>192,010</b>	<b>167,587</b>	<b>1,978,980</b>	<b>(3,619)</b>	<b>280,860</b>	<b>148,351</b>	<b>(408,780)</b>	<b>2,390,275</b>	<b>56,697</b>	<b>347,283</b>	<b>1,323,971</b>	<b>1,757,718</b>	<b>11,494,378</b>
CLA and debt servicing	9	-	2,907,794	-	1,201,221	-	2,907,794	-	739,247	461,974	-	2,907,794	-	1,201,221	-	2,907,794	15,234,839
<b>Net Cash Flow</b>		<b>1,404,107</b>	<b>(1,110,509)</b>	<b>61,653</b>	<b>(1,009,211)</b>	<b>167,587</b>	<b>(928,814)</b>	<b>(3,619)</b>	<b>(458,387)</b>	<b>(313,623)</b>	<b>(408,780)</b>	<b>(517,519)</b>	<b>56,697</b>	<b>(853,938)</b>	<b>1,323,971</b>	<b>(1,150,076)</b>	<b>(3,740,461)</b>
<b>Opening cash</b>																	
Net cash flow	10	1,816,139	3,220,246	2,109,737	2,171,390	1,162,179	1,329,766	1,400,952	1,397,333	1,938,946	1,625,323	1,216,543	1,699,024	1,755,721	1,901,783	3,225,754	1,816,139
DIP funding	11	1,404,107	(1,110,509)	61,653	(1,009,211)	167,587	(928,814)	(3,619)	(458,387)	(313,623)	(408,780)	(517,519)	56,697	(853,938)	1,323,971	(1,150,076)	(3,740,461)
<b>Ending Cash</b>		<b>3,220,246</b>	<b>2,109,737</b>	<b>2,171,390</b>	<b>1,162,179</b>	<b>1,329,766</b>	<b>1,400,952</b>	<b>1,397,333</b>	<b>1,938,946</b>	<b>1,625,323</b>	<b>1,216,543</b>	<b>1,699,024</b>	<b>1,755,721</b>	<b>1,901,783</b>	<b>3,225,754</b>	<b>2,075,678</b>	<b>2,075,678</b>
<b>DIP Facility</b>																	
Opening balance		28,646,532	28,698,867	28,751,297	28,803,824	28,856,446	28,909,165	29,963,806	30,018,548	31,075,216	31,131,988	31,188,864	32,247,671	32,306,585	33,367,433	33,428,393	28,646,532
DIP funding		-	-	-	-	-	1,000,000	-	1,000,000	-	-	1,000,000	-	1,000,000	-	-	4,000,000
Accrued interest		52,335	52,431	52,526	52,622	52,719	54,642	54,742	56,669	56,772	56,876	58,807	58,914	60,849	60,960	61,071	842,933
<b>Closing balance</b>		<b>28,698,867</b>	<b>28,751,297</b>	<b>28,803,824</b>	<b>28,856,446</b>	<b>28,909,165</b>	<b>29,963,806</b>	<b>30,018,548</b>	<b>31,075,216</b>	<b>31,131,988</b>	<b>31,188,864</b>	<b>32,247,671</b>	<b>32,306,585</b>	<b>33,367,433</b>	<b>33,428,393</b>	<b>33,489,464</b>	<b>33,489,464</b>



Josef Proserpi  
Chief Restructuring Officer

**Crown Crest Leasing Group  
15-Week Cash Flow Forecast  
Notes and Summary of Assumptions**

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**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 (collectively the “Crown Crest Leasing Group” or the “Respondents”)**

**Disclaimer**

In preparing the Updated Cash Flow Forecast the Respondents have relied upon unaudited financial information and have not attempted to further verify the accuracy or completeness of such information. Since the Updated Cash Flow Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Updated Cash Flow Forecast period will vary from the Updated Cash Flow forecast, even if the assumptions materialize, and such variations may be material. There is no representation, warranty, or other assurance that any of the estimates, forecasts or projections will be realized.

The Updated Cash Flow Forecast is presented in Canadian dollars. All defined terms that are not otherwise defined herein are to have the same meaning ascribed to them in the first report of the Monitor dated November 16, 2023, the Second Report, the Third Report, the Fourth Report, the Fifth Report and the Sixth Report.

**Note 1 Purpose of the Updated Cash Flow Forecast**

The purpose of the Updated Cash Flow Forecast is to present the estimated cash receipts and disbursements of the Respondents for the period from March 23, 2025 to July 5, 2025 (the “**Forecast Period**”). The Updated Cash Flow Forecast has been prepared by the Respondents, in consultation with the Monitor. Readers are cautioned that this information may not be appropriate or relied upon for any other purpose.

**Note 2 Customer Receipts**

Customer receipts include collections from customers on the Respondents’ lease agreements, customer buyouts, end of term customer sales, equipment upgrades and renewals. Customer receipts are forecast based on historical run rates for the last three months. As a result, forecast receipts exclude historically delinquent accounts including the impact of the conversion of customers from Enbridge invoicing to other collection methods, primarily pre-authorized payments.

**Note 3 Other Receipts**

Other receipts include quarterly refunds of debt servicing payments from PTC on delinquent accounts.

**Note 4 Operating Expenses (Technical Servicing, Adjudication, Third-party Call Centre, General and Administrative, IT, Billing Costs)**

Operating expenses are forecasted primarily based on historical run rates for the last three months. Historical run rates in respect of technical servicing were adjusted for warranty credits and for seasonality.

**Note 5 Rent and Utilities**

These disbursements represent payments for rent and other costs provided for in the Respondent's office space lease (e.g. utilities, etc.).

**Note 6 Payroll**

Payroll expenses include salaries and wages, bonuses and commissions in the normal course, payroll taxes and remittances, and employee benefits paid to the Respondents' employees. Payroll expenses are forecasted based on current headcount levels and are paid bi-weekly.

**Note 7 Professional Fees**

Includes professional fees of (i) the Monitor, counsel to the Monitor, the Chief Restructuring Officer, counsel to the Chief Restructuring Officer and the Company's Class Action counsel; and (ii) general other legal, professional and consulting fees.

**Note 8 Tax Remittances**

The Monitor understands the Respondents collect / disburse various taxes including Retail Sales Tax ("**RST**") and employee source deductions ("**Source Deductions**"). All receipts and applicable disbursements are gross of RST and the remittance of RST is forecast monthly.

**Note 9 CLA and Debt Servicing**

The Updated Cash Flow Forecast assumes that the Respondents continue to service interest expense on the Loan Agreements and make the CLA flow-through payments in the normal course. These amounts are forecast based on the last three months of historical run-rates.

**Note 10 Opening Cash Balances**

Opening cash balance is net of outstanding cheques as of March 23, 2025.

**Note 11 Debtor-in-possession ("DIP") Financing**

The Updated Cash Flow Forecast reflects advances under the DIP Facility in the Forecast Period of \$4 million. The interest rate on the principal outstanding amount of the DIP advances is 9.5% and is accrued.

**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., AND CROWN CREST CAPITAL TRUST**

**(collectively the “Crown Crest Leasing Group” or the “Respondents”)**

**MONITOR’S REPORT ON CASH FLOW STATEMENT  
(paragraph 23(1)(b) of the CCAA)**

The attached statement of projected cash flow of the Crown Crest Leasing Group prepared as of the 24<sup>th</sup> day of March 2025, consisting of the period from March 23, 2025 to July 5, 2025 (the “**Updated Cash Flow Forecast**”), has been prepared by management of the Respondents, in consultation with the Monitor for the purpose described in Note 1, using the probable and hypothetical assumptions set out in the notes to the Updated Cash Flow Forecast.

Our review and consultation consisted of inquiries, analytical procedures and discussions related to information supplied by management and employees of the Respondents. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Updated Cash Flow Forecast. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the Updated Cash Flow Forecast.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Updated Cash Flow Forecast;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Respondents or do not provide a reasonable basis for the Updated Cash Flow Forecast, given the hypothetical assumptions; or
- c) the Updated Cash Flow Forecast does not reflect the probable and hypothetical assumptions.

Since the Updated Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Updated Cash Flow Forecast will be achieved.

The Updated Cash Flow Forecast has been prepared solely for the purpose described in the notes thereto and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, in the Province of Ontario, this 25<sup>th</sup> day of March 2025.

**KPMG Inc.**  
**In its capacity as Monitor of the Crown Crest Leasing Group**  
**And not in its personal or corporate capacity**



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**Pritesh Patel, CIRP, LIT**  
Senior Vice President

# **Appendix “C”**

# SETTLEMENT AGREEMENT

**BETWEEN:**

**ALGA ADINA BONNICK, GORAN STOILOV DONEV, AND SARAH-JANE SHAW**

and

**LAWRENCE KRIMKER, CROWN CREST CAPITAL MANAGEMENT CORP., CROWN CREST FINANCIAL CORP., CROWN CREST CAPITAL TRUST, CROWN CREST CAPITAL II TRUST, CROWN CREST BILLING CORP., CROWN CREST CAPITAL CORP., CROWN CREST FUNDING CORP., SANDPIPER ENERGY SOLUTIONS, SANDPIPER ENERGY SOLUTIONS HOME COMFORT, SIMPLY GREEN HOME SERVICES (ONTARIO) INC., SIMPLY GREEN HOME SERVICES INC., SIMPLY GREEN HOME SERVICES CORP., SIMPLY GROUP, HCSI HOME COMFORT INC., HCSI HOME COMFORT 2 INC., ECOHOME FINANCIAL INC., SIMPLY GROUP ACQUISITION CORP., PEOPLES TRUST COMPANY, LYUDMILA KRIMKER, 2775996 ONTARIO INC., MARBLE AMALCO INC. AND SGHS MANAGEMENT HOLDCO INC.**

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# SETTLEMENT AGREEMENT

Dated as of November 1, 2024

## PART I – INTRODUCTION AND DEFINITIONS

### Section 1. INTRODUCTION / RECITALS

A. The Plaintiffs and the Settling Defendants have engaged in arm’s-length settlement discussions and negotiations, including four days of formal mediation with the Honourable Thomas McEwan, and weeks of subsequent direct negotiations to settle the Actions;

B. As a result of these settlement discussions and negotiations, the Settling Defendants and the Plaintiffs have entered into this Settlement Agreement, which contains all of the terms and conditions of the settlement as between the Settling Defendants and the Plaintiffs, both individually and on behalf of the Class that the Plaintiffs seek to represent, to settle the Actions subject to approval of the Court and the CCAA Court;

C. The Settling Defendants have denied and continue to deny all claims asserted in the Actions and deny all allegations of wrongdoing, fault, liability, or damage of any kind to the Plaintiffs or the Settlement Class;

NOW THEREFORE, in consideration of the covenants, agreements and releases set forth and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, it is agreed by the Parties that the Actions be settled and dismissed without costs on the following terms and conditions:

### Section 2. DEFINITIONS

As used in this Settlement Agreement, including attached schedules, the following terms shall have the defined meanings set forth below. Other capitalized terms used in the Settlement Agreement that are not defined in Section 2 shall have the meanings ascribed to them elsewhere in the Settlement Agreement.

2.1 *Actions* means the PTC Action and the SG Action.

- 2.2 *Administration Expenses* means all fees, disbursements, expenses, costs, taxes and any other amounts incurred or payable by the Plaintiffs, Class Counsel or otherwise for the approval, implementation and operation of this Settlement Agreement, including any costs of translation, notices and claims administration but excluding Class Counsel Fees.
- 2.3 *Approval Notice* means the notice of the Approval Order published and disseminated to the Settlement Class, in a form to be approved by the Court in the Actions and in accordance with the Notice Plan.
- 2.4 *Approval Notice Date* means the date on which the dissemination of the Approval Notice to the Settlement Class is completed, which the Parties will use best efforts to effect no later than ninety (90) days from the Settlement Approval Date.
- 2.5 *Approval Order* means the Court's order and/or judgment substantially in the form of the draft order at **Schedule 1: Approval Order**, approving, among other things, the Settlement Agreement.
- 2.6 *BH Action* means the action commenced by Paula Blackford-Hall and Mercedes Chacin de Fuchs, by her Litigation Guardian Mathias Johann Fuchs, against Simply Group, Simply Green Home Services Inc., Simply Green Home Services (Ontario) Inc., Green Planet Home Services Inc., HCSI Home Comfort Inc., HCSI Home Comfort 2 Inc., Ecohome Financial Inc., Crown Crest Capital Corp., Crown Crest Financial Corp., Enbridge Inc., Simply Group Acquisition Corp. and Lawrence Krimker on June 25, 2021 in the Ontario Superior Court of Justice, Toronto Region, bearing Court File Number CV-21-006646520-00CP.
- 2.7 *Case Management Judge* means the Honourable Justice Jasmine Akbarali, or such other judge as the Team Lead for the Toronto Class Actions List of the Ontario Superior Court of Justice or the Chief Justice of the Ontario Superior Court of Justice, as the case may be, may appoint to case manage the Actions.

- 2.8 **CCAA Approval Order** means the order of the CCAA Court seized with the CCAA proceeding involving the CCAA Debtors (Court File No. CV-23-00709183-00CL) authorizing and directing those CCAA Debtors to enter into and perform the Settlement Agreement.
- 2.9 **CCAA Court** means the Ontario Superior Court of Justice (Commercial List) presiding over the CCAA proceeding involving the CCAA Debtors (Court File No. CV-23-00709183-00CL).
- 2.10 **CCAA Debtors** means 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.
- 2.11 **Class** means all Persons in Canada who are or were party to a Lease at any time between July 17, 2013 and the Opt Out Deadline, except Excluded Persons.
- 2.12 **Class Counsel** means Sotos LLP.
- 2.13 **Class Counsel Fees** means the fees and disbursements of Class Counsel, costs, interest, HST and other applicable taxes or charges thereon.
- 2.14 **Class Member** means a member of the Class.
- 2.15 **Class Proceedings Fund** has the same meaning as defined in section 59.1 of the *Law Society Act*, R.S.O. 1990, c. L.8.
- 2.16 **Common Issue** means, for the purposes of the Settlement Agreement only: Did the Defendants, or any of them, engage in any unfair practices, contrary to ss. 14 or 15 of the *Consumer Protection Act, 2002*, S.O. 2002, c. 30, Sched. A, or an equivalent consumer protection statute of another province?
- 2.17 **Court** means the Ontario Superior Court of Justice.
- 2.18 **CRO** means HWS Consulting Inc., in its capacity as Chief Restructuring Officer of the CCAA Debtors, through the services of Joe Prosperi and other employees

and agents of HWS Consulting Inc., pursuant to an engagement agreement dated as of November 8, 2023.

2.19 ***Defence Counsel*** means the law firms listed as solicitors of record in the Actions, namely:

(a) McCarthy Tétrault LLP for Crown Crest Capital Management Corp., Crown Crest Financial Corp., Crown Crest Capital Trust, Crown Crest Capital II Trust, Crown Crest Billing Corp., Crown Crest Capital Corp., Crown Crest Funding Corp., Sandpiper Energy Solutions, Sandpiper Energy Solutions Home Comfort, Simply Green Home Services (Ontario) Inc., Simply Green Home Services Inc., Simply Green Home Services Corp., HCSI Home Comfort Inc., and HCSI Home Comfort 2 Inc.;

(b) Gowling WLG (Canada) LLP for Peoples Trust Company; and

(c) Lenczner Slaght LLP for Lawrence Krimker, Lyudmila Krimker, 2775996 Ontario Inc., Marble Amalco Inc., and SGHS Management Holdco Inc.;

2.20 ***Effective Date*** means thirty (30) days after the Settlement Approval Date, unless any appeal is taken from the Approval Order or the CCAA Approval Order, in which case it is the date upon which all appeals have been fully disposed of on the merits in a manner that affirms the Approval Order and/or the CCAA Approval Order.

2.21 ***Equipment*** means furnaces, heat pumps, air conditioners, air purifiers, water heaters, water softeners, water purification systems, water treatment systems, water filters, boilers, thermostats, air cleaners, humidifiers, chimney liners, duct cleaning services, heat recovery ventilators, filters, and other equipment or services.

2.22 ***Excluded Person*** means any putative Class Member who validly opts out of the Actions and each Settling Defendant.

2.23 ***HVAC Equipment*** means furnaces, boilers, heat pumps, and air conditioners.

- 2.24 **Initial Cash Amount** means seventeen million dollars (CDN \$17,000,000.00).
- 2.25 **Lease** means Equipment leases between putative Class Members and either: (i) a Simply Green Vendor; or (ii) an entity to which a Simply Green Vendor is or was a successor in interest in respect of that Equipment lease whether by assignment, purchase, corporate acquisition or amalgamation or otherwise, including leases that have been terminated, bought out, or rescinded, and leases that have expired or matured.
- 2.26 **Monitor** means KPMG Inc. appointed by the CCAA Court in the CCAA proceedings by Amended and Restated Initial Order dated November 17, 2023.
- 2.27 **Monitor's Counsel** means Osler, Hoskin & Harcourt LLP.
- 2.28 **Notice Expenses** include all reasonable costs and expenses, plus applicable taxes, incurred to implement the Notice Plan.
- 2.29 **Notice Plan** means a reasonable notice program for distributing the Settlement Class Notices (**Schedule 6: Notice Plan**, subject to the approval of the Court).
- 2.30 **Objection Deadline** means the deadline by which an objection to the Settlement Agreement by a Settlement Class Member must be received by Class Counsel in order to be timely and valid. The Objection Deadline is forty-five (45) days after the Pre-Approval Notice Date.
- 2.31 **Opt Out** means a member of the Class who submits a valid Opt Out Form on or before the Opt Out Deadline in accordance with the Pre-Approval Orders. "Opt Out" is also used as a verb to describe the process of becoming an Opt Out and may be used in the past tense: "**Opted Out**".
- 2.32 **Opt Out Deadline** means the date set by order of the Court in the Pre-Approval Orders by which all Opt Out Forms must be submitted to the Class Counsel.
- 2.33 **Opt Out Form** means the form agreed to by the Plaintiffs and Settling Defendants and approved by the Court (attached to **Schedule 4: Short-Form Notice of**

**Certification and Settlement Approval Hearing and Schedule 5: Long-Form Notice of Certification and Settlement Approval Hearing**), to be completed by persons who fall within the Settlement Class and wish to Opt Out of the Actions.

- 2.34 ***Opt Out Threshold*** means the total number of Persons particularized in the Term Sheet between Class Counsel and Defence Counsel dated October 2, 2024. The Opt Out Threshold shall remain confidential but may be disclosed to the Court under seal if necessary or appropriate.
- 2.35 ***Other Actions*** means any actions or proceedings, excluding the Actions, asserting some or all of the Released Claims including but not limited to the BH Action and any and all claims in any Small Claims Court asserting Released Claims.
- 2.36 ***Participation Amount*** means 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 SISP in relation to the Simply Green Vendors.
- 2.37 ***Party and Parties*** means the Plaintiffs and the Settling Defendants.
- 2.38 ***Person*** means an individual, corporation, partnership, limited partnership, limited liability company, association, joint stock company, estate, legal representative, trust, trustee, executor, beneficiary, unincorporated association, government or any political subdivision or agency thereof, and any other business or legal entity and their heirs, predecessors, successors, representatives, or assignees.
- 2.39 ***Plaintiffs*** means Alga Adina Bonnick, Goran Stoilov Donev, and Sarah-Jane Shaw.
- 2.40 ***Pre-Approval Hearing*** means the pre-approval hearing scheduled by the Court to determine whether to certify the Settlement Class for settlement purposes and approve the Pre-Approval Notice.

- 2.41 ***Pre-Approval Notice*** means the short-form and long-form notices substantially in the forms attached hereto as **Schedule 4: Short-Form Notice of Certification and Settlement Approval Hearing** and **Schedule 5: Long-Form Notice of Certification and Settlement Approval Hearing**, respectively, subject to the Court's approval.
- 2.42 ***Pre-Approval Notice Date*** means the date on which the Pre-Approval Notice is disseminated in accordance with the Pre-Approval Orders.
- 2.43 ***Pre-Approval Orders*** means the Court orders substantially in the form of the draft orders attached hereto as **Schedule 2: Order for Motion to Amend and Add Parties** and **Schedule 3: Order for Certification and Approval of Notice Plan and Notices of Certification and Settlement Approval Hearing** to, among other things: (i) add Lawrence Krimker HCSI Home Comfort Inc., HCSI Home Comfort 2 Inc., Lyudmila Krimker, 2775996 Ontario Inc., Marble Amalco Inc., and SGHS Management Holdco Inc. to the PTC Action for settlement purposes only; (ii) approve the Pre-Approval Notice and the Notice Plan; (iii) certify the Actions as a class action for settlement purposes only; and (iv) specify the Opt Out procedure.
- 2.44 ***PTC Action*** means the action commenced by Alga Adina Bonnick, Goran Stoilov Donev, and Sarah-Jane Shaw against Peoples Trust Company on December 21, 2023 bearing Court File Number CV-23-00711844-00CP in Toronto, Ontario.
- 2.45 ***Released Claims*** means any and all manner of claims, demands, actions, suits, causes of action, whether class, individual or otherwise in nature, whether personal or subrogated, for damages whenever incurred, rescission, liabilities of any nature whatsoever, including interest, costs, expenses, class administration expenses (including administration expenses), penalties, and lawyers' fees (including Class Counsel Fees), known or unknown, suspected or unsuspected, foreseen or unforeseen, actual or contingent, and liquidated or unliquidated, in law, under statute or in equity, in this or any other Canadian or foreign

jurisdiction (all of the foregoing, collectively, “**Claims**” or, individually, a “**Claim**”), that the Releasors have against any person whether natural or artificial, relating in any way to any conduct that is alleged in or that could have been alleged in, the Actions and the BH Action if they had been pleaded in respect of a national class, from the beginning of time including but not limited to allegations of individual and common misrepresentation, fraud, deceit, conspiracy, slander of title, unjust enrichment, unconscionable conduct, and breach of applicable legislation including but not limited to consumer protection legislation. For greater certainty, Released Claims shall include Claims by Releasors arising before and after the date of this Release based on allegations that the Leases do not comply with or are in breach of consumer protection legislation or other applicable law, constitute slander of title, or constitute unconscionable, voidable or unenforceable contracts, in whole or in part, for any reason whatsoever.

2.46 **Releasees** means, jointly and severally, individually and collectively, the Settling Defendants, the Monitor, the CRO, and Class Counsel, and all of their present and former, direct and indirect, parents, subsidiaries, divisions, affiliates, partners, insurers, reinsurers, advisors, lawyers, and all other persons with whom any of the former have been, or are now, affiliated and all of their past, present and future officers, directors, employees, agents, shareholders, attorneys, trustees, servants and representatives, and the predecessors, successors, purchasers, heirs, executors, administrators and assigns of each of the foregoing.

2.47 **Releasors** means, jointly and severally, individually and collectively, the Plaintiffs and the Settlement Class Members, on behalf of themselves and any Person or entity claiming by or through them as a present or former, direct or indirect, parent, subsidiary, affiliate, division or department, predecessor, successor, shareholder, partner, director, owner of any kind, agent, principal, employee, contractor, attorney, heir, executor, administrator, insurer, reinsurer, devisee, assignee, trustee, servant, contractor or representative of any kind.

- 2.48 ***Settlement Agreement*** means this proposed Settlement Agreement, including its Schedules.
- 2.49 ***Settlement Amount*** means the all-inclusive amount of money payable by the Settling Defendants under this Settlement Agreement, being the Initial Cash Amount which, when combined with the Participation Amount, is the entire amount of money payable by the Settling Defendants for alleged damages, taxes, disbursements, fees, costs, interest, Settlement Administrator expenses, Class Proceedings Fund levy (if any), and Class Counsel Fees (inclusive of tax).
- 2.50 ***Settlement Approval Date*** means the later of: (i) the date on which the Approval Order is issued; and (ii) the date on which the CCAA Approval Order is issued.
- 2.51 ***Settlement Approval Hearing*** means the approval hearing scheduled by the Court to determine whether to approve this Settlement Agreement, and to award Class Counsel Fees.
- 2.52 ***Settlement Class*** means all members of the Class who have not validly Opted Out in accordance with the terms of the Pre-Approval Orders.
- 2.53 ***Settlement Class Member*** means a member of the Settlement Class.
- 2.54 ***Settlement Class Notices*** means the Pre-Approval Notice, Approval Notice, and any other notice provided for in the Notice Plan.
- 2.55 ***Settlement Class Release*** means the release and waiver by the Plaintiffs and Settlement Class Members described in Section 18.2, that will take effect upon entry of the Approval Order in the Actions.
- 2.56 ***Settlement Fund*** means the Initial Cash Amount and the Participation Amount.
- 2.57 ***Settling Defendants*** means all of the defendants named in the Actions, all of the defendants in the BH Action other than Enbridge Inc., and all Persons sought to be added to PTC Action pursuant to the Notice of Motion dated May 10, 2024 served by the Plaintiffs in that action, including Lawrence Krimker, Crown Crest

Capital Management Corp., Crown Crest Financial Corp., Crown Crest Capital Trust, Crown Crest Capital II Trust, Crown Crest Billing Corp., Crown Crest Capital Corp., Crown Crest Funding Corp., Sandpiper Energy Solutions, Sandpiper Energy Solutions Home Comfort, Simply Green Home Services (Ontario) Inc., Simply Green Home Services Inc., Simply Green Home Services Corp., Simply Group, HCSI Home Comfort Inc., HCSI Home Comfort 2 Inc., Ecohome Financial Inc., Simply Group Acquisition Corp., Peoples Trust Company, Lyudmila Krimker, 2775996 Ontario Inc., Marble Amalco Inc., and SGHS Management Holdco Inc., but does not include Enbridge Inc.

- 2.58 ***SG Action*** means the action commenced by Alga Adina Bonnick and Goran Stoilov Donev against Lawrence Krimker, Crown Crest Capital Management Corp., Crown Crest Financial Corp., Crown Crest Capital Trust, Crown Crest Capital II Trust, Crown Crest Billing Corp., Crown Crest Capital Corp., Crown Crest Funding Corp., Sandpiper Energy Solutions, Sandpiper Energy Solutions Home Comfort, Simply Green Home Services (Ontario) Inc., Simply Green Home Services Inc., and Simply Green Home Services Corp. on July 7, 2021 bearing Court File Number CV-21-00665193-00CP in Toronto, Ontario.
- 2.59 ***Simply Green Vendors*** means Crown Crest Capital Management Corp., Crown Crest Financial Corp., Crown Crest Funding Corp., HCSI Home Comfort Inc., HCSI Home Comfort 2 Inc., Simply Green Home Services Inc., Simply Green Home Services Corp., Utilebill Home Services Inc., Crown Crest Capital Trust, Simply Green Retail Services Inc., Crown Crest Billing Corp., Simply Green Home Services (BC) Inc., Simply Green Home Services (AB) Inc., Simply Green Home Services (SK) Inc., and Simply Green Home Services (MB) Inc.
- 2.60 ***SISP*** means the Sale and Investment Solicitation Process in respect of the Simply Green Vendors, as approved by the CCAA Court, on motion by the Monitor following consultation with Peoples Trust Company and the CRO.

- 2.61 ***Successful Bid*** means a transaction or combination of transactions selected in the SISP and approved by the CCAA Court for the acquisition of the business of the Simply Green Vendors.

## **PART II – SETTLEMENT PAYMENTS**

### **Section 3. INITIAL CASH PAYMENT**

- 3.1 The Settling Defendants will pay the Initial Cash Amount to Class Counsel within thirty (30) days after the Effective Date, which will be held in trust by Class Counsel.

### **Section 4. PARTICIPATION IN SALES PROCEEDS**

- 4.1 In addition to the Initial Cash Amount, the Plaintiffs shall be entitled to receive the Participation Amount (if any). The Participation Amount shall be paid by to the Plaintiffs, through Class Counsel, by the Monitor, on behalf of the Settling Defendants, within ten (10) days of the closing of a Successful Bid.
- 4.2 For clarity, for the purposes of Section 4.1: (i) if Peoples Trust Company in its sole discretion makes a credit bid in the SISP that becomes a Successful Bid, the face value of the credit bid will be considered the purchase price; and (ii) if the purchase price of a Successful Bid includes both a cash component and an assumption of debt owing to Peoples Trust Company, the face value of the assumed debt will be considered part of the purchase price to the extent that it is in first priority, or if not in first priority, to the extent and at the time that Peoples Trust Company is actually paid cash in respect of such assumed debt.
- 4.3 The Plaintiffs agree and acknowledge that the SISP shall be developed and structured by the CRO and the Monitor in consultation with Peoples Trust Company.
- 4.4 The Plaintiffs shall be provided with reasonable information, upon request, concerning the development and structuring of the SISP by the Monitor and the Plaintiffs will have the opportunity to provide input concerning these matters before approval of the CCAA Court of the SISP is sought. However, the

Plaintiffs shall not (i) be entitled to modifications, additions to or deletions from the SISP; (ii) have consent rights in relation to the development and structuring of the SISP; or (iii) have input into the administration of the SISP by the Monitor in consultation with Peoples Trust Company and the CRO.

- 4.5 If Peoples Trust Company determines that it will participate as a bidder in the SISP, upon making such a bid Peoples Trust Company's involvement in the SISP thereafter shall be limited to that of a bidder and it shall only be provided with the same rights and opportunities as other bidders for the duration of the SISP.
- 4.6 The Plaintiffs will not oppose approval of any transaction recommended to the CCAA Court by the Monitor in consultation with Peoples Trust Company and the CRO following the implementation of the SISP provided the sale and marketing process is carried out in accordance with the SISP and all parties act in good faith.
- 4.7 In the event the Monitor, in its discretion acting reasonably, in consultation with a potential purchaser determines that it would be reasonable to complete a transaction by way of a reverse vesting order, the Monitor, in consultation with the Plaintiffs and Peoples Trust Company and the CRO shall determine the total value of the consideration being paid for the assets in order to determine if the consideration being paid is greater than \$250,000,000 (inclusive, without limitation, of any tax loss benefits derived by the purchaser from the transaction) such that there is a Participation Amount. If the Monitor, in consultation with the Plaintiffs and Peoples Trust Company and the CRO, cannot agree on the determination of the total value of the consideration paid for the assets, this amount shall be determined by the CCAA Court.
- 4.8 The Plaintiffs and Settlement Class Members acknowledge and agree for settlement purposes only that Peoples Trust Company holds valid and enforceable security and rights over all of the Simply Green Vendors' property, assets and undertakings, including without limitation the Leases and their proceeds (the "**PTC Security**"). Plaintiffs and Settlement Class Members agree

that they will not challenge the validity, enforceability or priority of the PTC Security, but reserve their rights to contest the validity, enforceability and priority of PTC Security if the Court and the CCAA Court do not approve this Settlement Agreement or if the Settlement Agreement is terminated.

**Section 5. REVERSION, TAXES AND INTEREST**

- 5.1 Under no circumstances will the Settling Defendants be required to pay more than the Initial Cash Amount and the Participation Amount.
- 5.2 If the Approval Order and CCAA Approval Order are granted by the Court and the CCAA Court, respectively, there will be no reversion of any part of the Settlement Fund or any accrued interest thereon to the Settling Defendants.
- 5.3 Except as hereinafter provided, all interest earned on the Settlement Fund shall accrue to the benefit of the Settlement Class Members.
- 5.4 Subject to Section 5.5, all Canadian taxes payable on any interest which accrues on the Settlement Fund or otherwise in relation to the Settlement Fund shall be the sole responsibility of the Settlement Class. Class Counsel shall be solely responsible to fulfill all tax reporting and payment requirements arising from the Settlement Fund, including any obligation to report taxable income and make tax payments. All taxes (including interest and penalties) due with respect to the income earned by the Settlement Fund shall be paid from the Settlement Fund.
- 5.5 The Settling Defendants shall have no responsibility to make any filings relating to the Settlement Fund and will have no responsibility to pay tax on any income earned by the Settlement Fund or pay any taxes on the monies in the Settlement Fund, unless this Settlement Agreement is terminated, in which case the interest earned on the Settlement Fund shall be paid to the Settling Defendants, and in such case the Settling Defendants shall be responsible for the payment of all taxes on such interest.
- 5.6 Neither the Settling Defendants, Defence Counsel, the Monitor, the Monitor's Counsel, the CRO nor its counsel shall have any responsibility, financial

obligations or liability whatsoever with respect to the investment, distribution or administration of monies in the Settlement Fund including, but not limited to, Administration Expenses and Class Counsel Fees.

**Section 6.      DISTRIBUTION PLAN**

- 6.1 Subject to Section 7 below, the administration of the Settlement Agreement and the distribution of cash payments to Settlement Class Members is in the sole discretion of the Plaintiffs, subject to Court approval.
- 6.2 The Parties will cooperate in the preparation of the distribution plan, which will, among other things, allocate the monies in the Settlement Fund to Settlement Class Members in Ontario and Settlement Class Members outside of Ontario based on reasonable estimates of the geographic distribution of Leases and general population proportions, after the payment of Notice and Settlement Expenses and approved Class Counsel Fees (inclusive of tax and disbursements).
- 6.3 Subject to privacy issues being properly addressed, substantially in the manner set out in the Approval Order, the Simply Green Vendors will use commercially reasonable efforts to provide Class Counsel with contact information for Class Members who paid moneys to Simply Green Vendors to terminate or buy out their Leases during the period from July 17, 2013 to the date of the Approval Order, and the amount of those termination or buy out payments, to facilitate the administration of the settlement. In connection with the Approval Order, the Parties will make best efforts to obtain an order of the Court addressing privacy issues in connection with the foregoing.

**PART III – LEASE CANCELLATIONS AND MODIFICATIONS**

**Section 7.      LEASE CANCELLATIONS**

- 7.1 Through the process set out in this Section 7, the Simply Green Vendors will cancel Leases with Settlement Class Members with an aggregate value of \$13,500,000 with the value of such Leases being the sum of all payments remaining to be made under the Leases, including payments already due and

payable, with annual payment escalations no greater than 3.5%, and with useful life Lease terms deemed to be 180 months.

- 7.2 The Leases to be cancelled shall be identified by the following Parties in the following amounts:
- (a) \$11,500,000 by value of the Leases to be cancelled shall be identified by Peoples Trust Company within thirty (30) days of the Effective Date; and
  - (b) \$2,000,000 by value of the Leases to be cancelled shall be identified by the Plaintiffs in the course of the implementation of the settlement.
- 7.3 With respect to those Leases to be selected by Peoples Trust Company, the Simply Green Vendors will provide Peoples Trust Company with a list of the Leases of Settlement Class Members held as of the date of this Settlement Agreement by the Simply Green Vendors and currently in default for non-payment, and Peoples Trust Company shall identify Leases for cancellation by order of the longest outstanding default, based on Simply Green Vendors' records. Offers of cancellation to lessees will be made by starting at the top of the list and working down the list until the agreed-upon value of Lease cancellations has been met. The language of these offers of cancellation communications to the affected Settlement Class Members will be subject to Class Counsel's review and comments. Peoples Trust Company will provide Class Counsel with a list of those Leases for which offers of cancellation have been made and separately of those Leases for which offers of cancellation have been accepted by Settlement Class Members.
- 7.4 Lease cancellation under this Section is intended to benefit Settlement Class Members experiencing the most hardship, and therefore Settlement Class Members who are offered the option of cancelling their Lease and who accept the Lease cancellation will be entitled to retain the Equipment that was the subject of the cancelled Lease at no cost to the Settlement Class Members, but they will no longer be entitled to any service or maintenance from any of the Settling Defendants. Settlement Class Members who are offered the option of

cancelling their Lease and refuse the Lease cancellation will maintain the same obligations and benefits under their Leases in accordance with their terms and this Settlement Agreement (including the benefits under Sections 8 and 9 and 10, below) in all respects as if a cancellation offer had not been made to them.

- 7.5 The Parties recognize that it will likely be impossible to cancel Leases with values that match the precise amounts set out in Section 7.2, and therefore the Parties agree that the Lease cancellation thresholds set out in Section 7.2 will be deemed to be fulfilled if the value of Lease cancellations is within two thousand dollars (CDN \$2,000.00) of those Lease cancellation thresholds.

**Section 8. ANNUAL ESCALATION LIMIT**

- 8.1 The Approval Order shall contain a term permanently capping annual escalation of Lease payments for all Leases held as of the date of this Settlement Agreement by the Simply Green Vendors at 3.5% for Settlement Class Members.

**Section 9. BUYOUT FEE REDUCTION**

- 9.1 The Approval Order shall contain a term permanently reducing by 25% the contractual buyout / termination fees on Leases of HVAC Equipment held as of the date of this Settlement Agreement by the Simply Green Vendors for Settlement Class Members, as such buyout/termination fees are currently calculated under the terms of the Leases.

**Section 10. NOSI DISCHARGES**

- 10.1 After the Effective Date, the Settling Defendants shall consent to an order of the Court substantially in the form attached hereto as **Schedule 7: Order (Invalidity of Notices of Security Interest and Liens on Home Title)** to the effect that no notice of security interest or similar lien anywhere in Canada shall be enforceable against the Class Members by the Settling Defendants or any parties to whom they henceforth assign their interest in the Leases, including a buyer in a SISP and such buyer's successors and assigns (the "**Invalidity Order**"). The Simply Green Vendors shall send a copy of the Invalidity Order to the last known physical or email address of each Class Member under cover of an individualized

letter, in form satisfactory to Class Counsel acting reasonably. The covering letter shall confirm that any notices of security interest registered by the Settling Defendants against the Class Members' home titles anywhere in Canada in respect of a Lease are of no force or effect by the Settling Defendants. The covering letter shall provide the Settling Defendants' consent for any solicitor engaged by such Class Members whose Leases the Settling Defendants have not previously assigned or sold to seek to discharge the notices of security interest from title to the Class Members' home, with any and all discharge fees, costs and disbursements to be paid by the Class Member to such solicitor and provided that such discharge shall not otherwise affect the rights and obligations of the parties under the applicable Lease.

- 10.2 In the event the Settlement Class is not certified for settlement purposes, or the Settlement Agreement is not approved or is otherwise terminated, the parties revoke consent to the Invalidity Order and any such order shall be set aside and declared null and void and of no force or effect.

#### **PART IV – APPROVAL OF THE SETTLEMENT AGREEMENT**

##### **Section 11. COURT PRE-APPROVAL ORDERS**

- 11.1 Promptly after the execution of this Settlement Agreement, the Plaintiffs and Class Counsel will take no further step in or in relation to the Actions pending settlement approval other than to apply for the orders contemplated herein and fulfil their obligations set out in this Settlement Agreement or as directed by the Court.
- 11.2 As soon as practicable within thirty (30) days of the Parties executing the Settlement Agreement, the Plaintiffs shall bring motions to obtain the Pre-Approval Orders requesting that the Court, among other things:
- (a) add Lawrence Krimker, Lyudmila Krimker, 2775996 Ontario Inc., Marble Amalco Inc., HCSI Home Comfort Inc., HCSI Home Comfort 2 Inc. and SGHS Management Holdco Inc. as defendants in the PTC

Action, conditional on and only for the purpose of approval of the Settlement Agreement and the settlement it embodies;

- (b) certify the Settlement Class for settlement purposes only; and
- (c) approve the Notice Plan and the Pre-Approval Notice to be given to the Settlement Class advising them of the settlement and of the Settlement Approval Hearing.

- 11.3 Until the motion for the Pre-Approval Orders is brought, the Parties shall keep all of the terms of this Settlement Agreement confidential and shall not disclose them without the prior written consent of Defence Counsel and Class Counsel, as the case may be, except to the Court or as required for reporting to clients, the Monitor, financial reporting purposes, the preparation of financial records (including tax returns and financial statements) or otherwise as required by law.
- 11.4 In the motion for certification of the Actions for settlement purposes, the only common issue that the Plaintiffs will seek to certify is the Common Issue and the only class that the Plaintiffs will seek to certify is the Class.
- 11.5 Class Counsel will prepare the motion material for the Pre-Approval Orders with input from Counsel for the Settling Defendants and ultimately to the satisfaction of all Parties.

## **Section 12. COURT APPROVAL OF THE SETTLEMENT AGREEMENT**

- 12.1 As soon as is practicable, Class Counsel shall schedule a motion to obtain the Approval Order.
- 12.2 No later than fourteen (14) days before the date for the Settlement Approval Hearing, Class Counsel will file its motion material for the Settlement Approval Hearing requesting that the Court enter an Order, in substantially the same form of the draft Approval Order attached hereto as **Schedule 1**, which will, among other things, dismiss the Actions without costs and approve the Settlement Agreement.

- 12.3 Class Counsel and Counsel for the Settling Defendants shall also be entitled to file responses to any objections that have been filed.
- 12.4 The motion material for the Approval Order will be prepared by Class Counsel with input from Counsel for the Settling Defendants and ultimately to the satisfaction of all Parties.
- 12.5 The Parties acknowledge that prompt approval, consummation, and implementation of the Settlement Agreement are essential. The Parties shall cooperate with each other in good faith to carry out the purposes of and effectuate this Settlement Agreement, shall promptly perform their respective obligations hereunder, and shall promptly take all actions and execute and deliver all additional documents and all other materials and/or information reasonably necessary or appropriate to carry out the terms of this Settlement Agreement and the transactions contemplated hereby.
- 12.6 As soon as is practicable after the making of the Approval Order, counsel for the Monitor shall schedule a motion to obtain the CCAA Approval Order.
- 12.7 This Settlement Agreement shall be null and void and of no force or effect unless an Approval Order and CCAA Approval Order are granted and the Effective Date occurs, save and except that the Court may decline to approve Class Counsel Fees and disbursements in accordance with Section 17.2.
- 12.8 In the event that the Court does not grant certification or does not issue an Approval Order and/or the CCAA Court does not issue a CCAA Approval Order, the Plaintiffs and the Settling Defendants agree to use all reasonable efforts, consistent with this Settlement Agreement, to address and resolve any concerns identified by the Court or the CCAA Court, as applicable.
- 12.9 Upon the Effective Date, the Actions shall be dismissed without costs as against the Settling Defendants.

**Section 13. OPT OUTS BY CLASS MEMBERS**

- 13.1 Class Members may elect to exclude themselves from the Settlement Class by sending to Class Counsel his or her own personally or electronically signed Opt Out Form including: (i) name, (ii) current address, (iii) a reason for opting out, and (iv) a clear statement communicating that he/she/they elects to opt out from the Settlement Class and not access any benefits under this Settlement Agreement.
- 13.2 An Opt Out Form signed only by an authorized representative of or lawyer for the Class Member is valid. A single Opt Out Form submitted on behalf of more than one Class Member will be deemed invalid. “Mass” or “class” Opt Outs shall not be allowed.
- 13.3 The Opt Out Form must be received by Class Counsel by the date specified in the Pre-Approval Orders in order to be effective. Absent leave of the Court, Class Members who fail to submit a valid and timely Opt Out Form shall be bound by all terms of the Settlement Agreement and the Approval Order, regardless of whether they intended or elected to Opt Out from the Settlement Class.
- 13.4 Any Class Member who submits a timely election to Opt Out may not file an objection to the Settlement Agreement and shall have no rights with respect to this Settlement Agreement, including the Settlement Amount.
- 13.5 Any person who falls within the Settlement Class who does not validly Opt Out of the Settlement Class in accordance with the Settlement Agreement shall be deemed to have elected to participate in this Settlement Agreement and shall be a Settlement Class Member for all purposes of the Settlement Agreement.
- 13.6 Class Counsel will provide copies of all Opt Out Forms to the Settling Defendants and Class Counsel within three (3) days after the Opt Out Deadline.
- 13.7 Not later than ten (10) business days before the Settlement Approval Hearing, Class Counsel shall serve on the Settling Defendants and file with the Court an affidavit reporting on the number of valid Opt Out Forms received on or before

the Opt Out Deadline and all of the reasons provided by Opt Outs for opting out of the Settlement Class.

- 13.8 Should the number of Opt Outs received from Class Members exceed the Opt Out Threshold, the Settling Defendants will have a unilateral option to either terminate this Settlement Agreement or waive the Opt Out Threshold and complete the settlement. The Settling Defendants will advise Class Counsel as to their election in writing no later than five (5) days before the Settlement Approval Hearing.

**Section 14. UNDERTAKING NOT TO ASSIST**

- 14.1 Class Counsel and their respective staff shall not encourage, nor represent, nor assist any Opt Outs or prospective or potential Opt Outs in any way, except to provide the Opt Out Form for any individual who requests it and to answer their questions about the form.

**Section 15. OBJECTIONS BY SETTLEMENT CLASS MEMBERS**

- 15.1 Objections to the Settlement Agreement by Settlement Class Members must be received in writing by Class Counsel by mail, courier or e-mail on or before the Objection Deadline.
- 15.2 All objections to the Settlement Agreement shall include the following:
- (a) the Settlement Class Member's name, mailing address, telephone number and e-mail address (if applicable);
  - (b) a copy of the Settlement Class Member's Lease, if available;
  - (c) a brief statement of the nature of and reason for the objection to the Settlement Agreement;
  - (d) whether the Settlement Class Member intends to appear in person or by counsel at the Settlement Approval Hearing, and if appearing by counsel, the name, address, telephone number and e-mail address of counsel; and

- (e) the Settlement Class Member's signature (or electronic acknowledgment in lieu of a signature) with the date of signature or electronic acknowledgment.
- 15.3 Other than with leave of the Court, no Settlement Class Member shall be entitled to be heard at the Settlement Approval Hearing unless that Settlement Class Member complies with Section 15.2. Settlement Class Members who fail to comply with Section 15.2 shall be deemed to have waived any objections and shall be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement Agreement.
- 15.4 Any Class Member who has previously Opted Out of the Settlement Class may not object to the Settlement Agreement. If a Class Member elected to Opt Out of the Settlement Class and wishes to object to the Settlement Agreement, the Opt Out election shall supersede the objection and the objection shall be deemed withdrawn.
- 15.5 Class Counsel shall provide copies of all objections to the Settling Defendants within three (3) days after the Objection Deadline.
- 15.6 Seven (7) days before the Settlement Approval Hearing, Class Counsel shall serve on the Settling Defendants and file with the Court an affidavit reporting on the number of objections, if any, and compiling all of the objections received on or before the Objection Deadline.

**Section 16. NOTICE OF THE PRE-APPROVAL AND APPROVAL ORDER TO THE SETTLEMENT CLASS**

- 16.1 Class Counsel shall prepare, and the Settling Defendants' counsel may review and provide comments on, the Pre-Approval Notice, the Approval Notice, and any other notices required by the Court, as well as the means by which notice will be provided. All notices shall be in a form agreed upon by the Parties and approved by the Court or, if the Parties cannot agree, it shall be in a form ordered by the Court.

- 16.2 All notices shall be disseminated in accordance with Section 16.7 or as ordered by the Court. However, under no circumstances will notice be required to be disseminated by one or more of the Settling Defendants, and if the Court orders that a notice be disseminated by one or more of the Settling Defendants, that Settling Defendant will have the unilateral option to terminate this Settlement Agreement on written notice to the Plaintiffs and the other Settling Defendants.
- 16.3 The costs of notice and settlement administration shall be paid out of the Settlement Fund. None of the Settling Defendants nor the Monitor nor the CRO shall have any responsibility for any costs and expenses relating to distributing notices as required by this Settlement Agreement.
- 16.4 Class Counsel and the Court-appointed administrator shall be responsible for disseminating the Pre-Approval Notice and Approval Notice to the Settlement Class in the manner described in the Notice Plan or as directed by the Court.
- 16.5 Class Counsel and the Court-appointed administrator shall be responsible for responding to Class Member inquiries and requests for the Pre-Approval Notice.
- 16.6 No later than fourteen (14) days prior to the date of the Settlement Approval Hearing in the Pre-Approval Notice, Class Counsel shall provide the Settling Defendants and file with the Court an affidavit, affirming that the Pre-Approval Notice was disseminated in a manner substantially consistent with the terms of this Settlement Agreement, or as directed by the Court.
- 16.7 Class Counsel shall disseminate the Pre-Approval Notice to all Class Members and the Approval Notice to all Settlement Class Members as detailed in the Notice Plan attached as **Schedule 6: Notice Plan**, subject to the Court's approval.
- 16.8 If Class Counsel or Defence Counsel or any of the Parties are commenting publicly on the Actions or this Settlement Agreement, they shall only:
- (a) state that the Actions have been settled to the satisfaction of all Parties;

- (b) inform the inquirer that the view of the Parties is that the settlement of the Actions is fair and reasonable; and
  - (c) decline to comment in a manner that casts the conduct of any Party or its representatives in a negative light in relation to this Actions.
- 16.9 In no event may the Plaintiffs or Class Counsel or their agents or representatives or any of them, initiate communication with reporters or any other media sources in connection with the Actions.
- 16.10 The Settling Defendants may issue a press release to advise that the Actions have been settled to the satisfaction of the parties.

## **PART V – COUNSEL AND ADMINISTRATOR FEES**

### **Section 17. CLASS COUNSEL FEES**

- 17.1 At the same time as the motion for the Approval Order, Class Counsel will bring a motion for an order approving their fees, disbursements and taxes. The Settling Defendants shall not comment on or otherwise oppose the fees sought by Class Counsel except if asked by the Court or Plaintiffs as follows: (i) to confirm the monetary value to be derived by the Plaintiffs and the Settlement Class Members from the Lease modifications to be provided under Sections 7-10 of this Settlement Agreement; and (ii) to comment on the likelihood, in their commercially reasonable opinion, of there being a Participation Amount arising from the SISP. The motion for approval of Class Counsel's fees and expenses will be heard after the motion to approve the Settlement Agreement.
- 17.2 The settlement, the Court's approval of the Settlement Agreement, and the Approval Order and the CCAA Approval Order shall not be contingent on the Court's approval of Class Counsel's fees and expenses.
- 17.3 Class Counsel's fees and disbursements, as approved by the Court, shall be paid from the Settlement Fund on the Effective Date. Any amount payable to Class Counsel in respect of recovery made payable to the Plaintiffs from the

Participation Amount shall be payable upon payment of the Participation Amount or, if there is an unresolved dispute as to the quantum of the consideration of such transaction, upon the resolution of that dispute by agreement or a final order.

## **PART VI – RELEASE AND NO ADMISSIONS**

### **Section 18. RELEASE AND WAIVER**

- 18.1 The Parties agree that the Settlement Class Release in Section 18.2 shall be incorporated into the Approval Order and shall take effect upon entry of the Approval Order in the Actions.
- 18.2 Upon the Effective Date, the Releasors shall be deemed to have jointly and severally, individually and collectively, released and forever discharged the Releasees from any and all Released Claims, whether known or unknown, and shall be fully and forever barred and enjoined from instituting or prosecuting in any court or tribunal, either directly or indirectly, individually or representatively, any and all Released Claims against the Releasees.
- 18.3 Class Members who have validly and timely Opted Out by the Opt Out Deadline have no entitlement to any benefit under the Settlement Agreement and do not release any Claims under the Settlement Agreement.
- 18.4 The Settlement Class Release is expressly intended to cover and include all injuries or damages relating to any Released Claims, including all rights of action and any Claim for rescission of any Lease.
- 18.5 The Parties recognize and acknowledge that as of the date of this Settlement Agreement, certain Class Members have commenced certain Other Actions against one or more of the Settling Defendants in respect of issues relating to the Leases. All such Other Actions commenced by a Releasor shall be deemed to be dismissed, without costs, as of the Effective Date and without further action by any of the Parties. The Parties agree that the dismissal of the Other Actions

commenced by a Releasor shall be incorporated into the Approval Order and shall take effect upon entry of the Approval Order in the Actions.

- 18.6 The Settlement Class Members and Plaintiffs acknowledge that they are aware that they or their lawyers may hereafter discover claims or facts relevant to the Actions in addition to or different from those which they now know or believe to exist with respect to the Released Claims, but that it is their intention to fully, finally, and forever settle and release all of the Released Claims, known or unknown, suspected or unsuspected, which they have against the Settling Defendants. In furtherance of such intention, the Settlement Class Release by the Settlement Class Members and the Plaintiffs of the Settling Defendants shall be and remain in effect as a full and complete general release of the Released Claims notwithstanding the discovery or existence of any such additional different claims or facts. Upon the Effective Date: (i) the Settlement Agreement shall be the exclusive remedy for any and all Released Claims of Settlement Class Members and the Plaintiffs; (ii) the Releasees shall not be subject to liability or expense of any kind other than obligations under this Settlement Agreement to any Settlement Class Members or the Plaintiffs; and (iii) Settlement Class Members and the Plaintiffs shall be permanently barred and enjoined from initiating, asserting, or prosecuting any Released Claim against the Releasees in any court or tribunal.

**Section 19. ACTIONS OR PROCEEDINGS INVOLVING RELEASED CLAIMS.**

- 19.1 Settlement Class Members and the Plaintiffs expressly agree that the Settlement Class Release, and the Approval Order are, will be, and may be raised as a complete defence to, and will preclude, any action or proceeding specified in, or involving claims encompassed by, this Settlement Class Release. Settlement Class Members and the Plaintiffs shall not now or hereafter institute, maintain, prosecute, assert, and/or cooperate in the institution, commencement, filing, or prosecution of any suit, action, and/or other proceeding against the Releasees with respect to the claims, causes of action, and/or any other matters subject to the Settlement Class Release.

19.2 Upon the Effective Date, the Releasors shall be deemed to have undertaken to immediately discontinue or dismiss any Claims asserting any Released Claim and any Claims in which a defendant claims contribution or indemnity from a Releasee in respect of any of the Released Claims.

**Section 20. OWNERSHIP OF RELEASED CLAIMS.**

20.1 The Plaintiffs and Settlement Class Members represent and warrant that they are the sole and exclusive owners of any and all Claims that they personally are releasing under this Settlement Agreement. The Plaintiffs and Settlement Class Members further acknowledge that they have not assigned, pledged, or in any manner whatsoever, sold, transferred, assigned, or encumbered any right, title, interest, or claim arising out of or in any way whatsoever pertaining to the Released Claims, including without limitation, any claim for benefits, proceeds, or value under the Actions, and that the Plaintiffs and Settlement Class Members are not aware of anyone other than themselves claiming any interest, in whole or in part, in any benefits, proceeds, or values to which they may be entitled as a result of the Released Claims. Settlement Class Members and the Plaintiffs submitting a claim represent and warrant that they are the sole and exclusive owner of all Claims that they personally are releasing under this Settlement Agreement and that they have not assigned, pledged, or in any manner whatsoever, sold, transferred, assigned, or encumbered any right, title, interest, or claim in the Actions arising out of or in any way whatsoever pertaining to the Released Claims, including without limitation, any claim for benefits, proceeds, or value under the Actions, and that such Settlement Class Members and Plaintiffs are not aware of anyone other than themselves claiming any interest, in whole or in part, in any benefits, proceeds, or values to which those Settlement Class Members or Plaintiffs may be entitled as a result of the Released Claims.

**Section 21. TOTAL SATISFACTION OF RELEASED CLAIMS**

21.1 Any benefits pursuant to this Settlement Agreement are: (i) in full, complete, and total discharge of all of the Released Claims against the Releasees; and (ii) sufficient and adequate consideration for each and every term of the Settlement

Class Release. The Settlement Class Release shall be irrevocably binding upon the Plaintiffs and Settlement Class Members.

**Section 22. BASIS FOR ENTERING RELEASE**

22.1 Class Counsel acknowledge that they have conducted sufficient independent investigation and discovery to recommend the approval of this Settlement Agreement to the Court and that Class Counsel execute this Settlement Agreement freely, voluntarily, and without being pressured or influenced by, or relying on any statements, representations, promises, or inducements made by the Releasees or any person or entity representing the Releasees, other than as set forth in this Settlement Agreement. The Plaintiffs agree and specifically represent and warrant that they have discussed with Class Counsel the terms of this Settlement Agreement and have received legal advice with respect to the advisability of entering into this Settlement Agreement and the Settlement Class Release, and the legal effect of this Settlement Agreement and the Settlement Class Release. The representations and warranties made throughout this Settlement Agreement shall survive the execution of this Settlement Agreement and shall be binding upon the respective heirs, representatives, successors, and assigns of the Parties.

**Section 23. NO ADMISSION OF LIABILITY**

23.1 The Plaintiffs, Settlement Class Members, Class Counsel and the Releasors agree, whether or not this Settlement Agreement is approved, terminated or otherwise fails to take effect for any reason, that this Settlement Agreement and anything contained herein, and any and all negotiations, documents, discussions and proceedings associated with this Settlement Agreement, and any action taken to carry out this Settlement Agreement, shall not be deemed, construed or interpreted to be an admission of any breach of duty, violation of any statute or law, or liability by any of the Releasees, or of the truth of any of the claims or allegations contained in the Actions or any other pleading filed against the Settling Defendants by, or on behalf of, the Plaintiffs or Settlement Class Members, or any class that may be certified or authorized in the Actions.

**Section 24. SETTLEMENT AGREEMENT NOT EVIDENCE**

24.1 The Releasees deny any and all allegations set forth in the Actions and deny all wrongdoing. This Settlement Agreement is not a concession or admission and shall not be used against any of the Releasees as an admission or indication with respect to any claim of any fault, concession, or omission by any of the Releasees. Whether or not the Settlement Agreement is finally approved, neither the Settlement Agreement, nor any document, statement, proceeding, or conduct related to this Settlement Agreement, nor any reports or accounts thereof, shall be: (i) construed as, offered or admitted in evidence as, received as, or deemed to be evidence for any purpose, including, but not limited to, evidence of a presumption, concession, indication or admission by any of the Releasees of any liability, fault, wrongdoing, omission, concession or damage; or (ii) disclosed or referred to for any purpose, or offered or received in evidence, in any further proceeding in the Actions, or any other civil, criminal, or administrative action or proceeding against any of the Releasees except for purposes of settling the claims of Settlement Class Members in the Actions pursuant to this Settlement Agreement. The limitations set forth in this paragraph do not apply to use and/or disclosure by any of the Releasees against Settlement Class Members or third parties, including, without limitation, for purposes of supporting a defence or counterclaim of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar, offset, reduction, or any other theory or claim of issue preclusion or similar defence or counterclaim.

24.2 Whether or not this Settlement Agreement is finally approved by the Court, the Parties agree that the Settlement Agreement shall not constitute evidence of the appropriateness of class certification for the purpose of litigation or for trial of the Actions or any other case.

## **PART VII – GENERAL**

### **Section 25. COOPERATION TO IMPLEMENT SETTLEMENT**

- 25.1 Subject to Section 25.4, the Parties and their respective counsel will cooperate with each other, act in good faith and use commercially reasonable efforts to implement the terms of this Settlement Agreement as soon as reasonably practicable after the Effective Date.
- 25.2 The Parties agree to make all reasonable efforts to ensure the timely and expeditious administration and implementation of the Settlement Agreement and to ensure that the costs and expenses incurred are reasonable.
- 25.3 The Parties and their successors, assigns and counsel undertake to implement the terms of this Settlement Agreement in good faith, and to use good faith in resolving any disputes that may arise in the implementation of the terms of this Settlement Agreement. The Parties shall, upon the request of the other, meet or confer by telephone to discuss the implementation of this Settlement Agreement and to attempt to resolve any issues raised by the Parties or Settlement Class Members.
- 25.4 If the Court refuses to grant the Pre-Approval Orders or the Approval Order, or the CCAA Court refuses to issue the CCAA Approval Order, or an appellate court allows an appeal therefrom, the Parties and their successors, assigns and counsel undertake to make commercially reasonable efforts to amend the Settlement Agreement to address the concerns of the Court and/or CCAA Court, as applicable, and obtain orders substantially in the form of the Pre-Approval Orders or the Approval Order, as the case may be. Despite the foregoing, in no circumstances shall the Settling Defendants be required to pay more than the Initial Cash Amount and the Participation Amount, increase the amount of the Lease cancellations in Section 7.1, or amend the Leases other than as set out in Sections 8 and 9.

25.5 The Parties reserve the right, subject to the Court's approval, to agree to any reasonable extensions of time that might be necessary to carry out any of the provisions of this Settlement Agreement.

25.6 In the event that the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to implement the terms of this Settlement Agreement, the Parties may seek the assistance of the Case Management Judge (or the CCAA Court, where applicable) to resolve such matters.

**Section 26. TERMINATION**

26.1 The Plaintiffs and the Settling Defendants have the right to terminate this Settlement Agreement in the event that:

- (a) there is a mutual written agreement of the Parties to terminate the Settlement Agreement;
- (b) the Court declines to grant orders substantially in the form of the Pre-Approval Orders, or an appellate court overturns either of the Pre-Approval Orders;
- (c) the Court declines to grant an order substantially in the form of the Approval Order, or an appellate court overturns the Approval Order;
- (d) the CCAA Court declines to grant an order substantially in the form of the CCAA Approval Order, or an appellate court overturns the CCAA Approval Order;
- (e) the Court grants the Pre-Approval Orders, Approval Order in a materially modified form; or
- (f) the CCAA Court grants the CCAA Approval Order in a materially modified form.

- 26.2 Peoples Trust Company, on behalf of the Settling Defendants, has the right to terminate this Settlement Agreement if the Opt Out Threshold is exceeded.
- 26.3 The Plaintiffs have the right to terminate the Settlement Agreement in the event of non-payment of the Settlement Fund under this Settlement Agreement for a period of at least thirty (30) days after entitlements to the Initial Cash Amount or the Participation Amount arise under the terms of this Settlement Agreement.
- 26.4 If the Settling Defendants or the Plaintiffs elect to terminate the Settlement Agreement, a written notice of termination shall be provided within thirty (30) days following receipt of notice of the event giving rise to the right of termination. Upon delivery of such a written notice, this Settlement Agreement shall be terminated and, except as provided for in Sections 26.7, 26.8, and 26.9, it shall be null and void and have no further force or effect, shall not be binding on the Parties, and shall not be used as evidence or otherwise in any litigation. All materials, documents and information provided by the Settling Defendants in connection with this Settlement Agreement shall be destroyed by Class Counsel and shall not be used in any way by the Plaintiffs, the Settlement Class Members or Class Counsel.
- 26.5 The Settlement Class Release, as well as the discontinuances and dismissals contemplated in this Settlement Agreement are material terms of the Settlement Agreement and the failure of the Court to approve the Settlement Class Release, discontinuances and dismissals contemplated herein shall give rise to a right of termination for the Settling Defendants.
- 26.6 Any order, ruling or determination made by any Court with respect to Class Counsel Fees shall not be a material modification of all or part of this Settlement Agreement and shall not give rise to a right of termination for any Party.
- 26.7 If this Settlement Agreement is terminated or set aside:

- (a) no forthcoming motion to certify the Actions as a class proceeding against the Settling Defendants on the basis of this Settlement Agreement or to approve this Settlement Agreement, shall proceed;
- (b) the Parties will cooperate in seeking to have any prior order certifying the Actions as a class proceeding for settlement purposes set aside in its entirety and declared null and void and of no force or effect, and all Parties shall be estopped from asserting otherwise;
- (c) the Parties will cooperate in seeking to have any prior order adding Lawrence Krimker, HCSI Home Comfort Inc., HCSI Home Comfort 2 Inc., Lyudmila Krimker, 2775996 Ontario Inc., Marble Amalco Inc., and SGHS Management Holdco Inc. to the PTC Action set aside in its entirety and declared null and void and of no force or effect, and all Parties shall be estopped from asserting otherwise based on such order or seeking to rely on said order;
- (d) the Parties will cooperate in seeking to have any prior order under Section 10 to the effect that no notice of security interest or similar lien anywhere in Canada shall be enforceable against the Class Members by the Settling Defendants or any parties to whom they henceforth assign their interest in the Leases set aside in its entirety and declared null and void and of no force or effect, and all Parties shall be estopped from asserting otherwise based on such order or seeking to rely on said order;
- (e) any prior certification of the Actions as a class proceeding for settlement purposes on the basis of this Settlement Agreement, including the definitions of the Settlement Class and the Common Issue pursuant to this Settlement Agreement, shall be without prejudice to any position that any of the Parties may later take on any issue in the Actions or any other litigation;
- (f) any step taken by the Plaintiffs and the Settling Defendants in the Actions in relation to this Settlement Agreement shall be without prejudice to any

position that the Plaintiffs or the Settling Defendants may later take in respect of any procedural or substantive issues in the Actions;

(g) Class Counsel shall forthwith deliver consents in writing to Counsel for the Settling Defendants in respect of the following orders that may be sought by the Settling Defendants:

(i) declaring this Settlement Agreement to be null and void and of no force or effect (except for the provisions set out in Sections 26.7, 26.8, and 26.9);

(ii) setting aside any order certifying the Actions as a class proceeding for settlement purposes on the basis of this Settlement Agreement;

(iii) setting aside any order adding Lawrence Krimker HCSI Home Comfort Inc., HCSI Home Comfort 2 Inc., Lyudmila Krimker, 2775996 Ontario Inc., Marble Amalco Inc., and SGHS Management Holdco Inc. to the PTC Action; and

(iv) directing that the Plaintiffs return the Settlement Fund in full, without deduction, to the Settling Defendants, as set out in Section 26.8 of this Settlement Agreement.

26.8 If the Settlement Agreement is terminated, Class Counsel who holds the Settlement Fund, shall return to the Settling Defendants all monies in the Settlement Fund including accrued interest, but less the amount of any income taxes paid in respect of any interest earned on monies in the Settlement Fund, within thirty (30) business days of the event of termination. Any shortfall in the Settlement Fund shall be made up by Class Counsel.

26.9 If this Settlement Agreement is terminated, the provisions of Sections 26.7 and 26.8 and the definitions and Schedules applicable thereto shall survive the termination and continue in full force and effect. The definitions and Schedules shall survive only for the limited purpose of the interpretation of the above

referenced. All other provisions of this Settlement Agreement and all other obligations pursuant to this Settlement Agreement shall cease immediately.

- 26.10 The Settling Defendants do not consent to certification of the Settlement Class for any purpose other than to effectuate the settlement of the Actions. If this Settlement Agreement is terminated for any reason, or the Effective Date of settlement for any reason does not occur, the order certifying the Settlement Class for purposes of effectuating this Settlement Agreement, and all findings regarding that class certification order, shall be automatically vacated, the Actions shall proceed as though the Settlement Class had never been certified pursuant to this Settlement Agreement and such findings had never been made, the Actions shall return to the procedural status quo ante in accordance with this paragraph, and the Settling Defendants shall have the right to object to certification of the Settlement Class or any other class at any future time.
- 26.11 In the event an appeal is filed from the Pre-Approval Orders or the Approval Order, or any other appellate review is sought prior to the Effective Date of settlement, administration of the Settlement Agreement shall be stayed pending final resolution of the appeal or other appellate review unless the Parties agree otherwise.

**Section 27. OTHER TERMS AND CONDITIONS**

- 27.1 This Settlement Agreement shall be binding upon and inure to the benefit of the Settling Defendants, Plaintiffs and Settlement Class Members, and their respective agents, heirs, executors, administrators, successors, transferees and assigns.
- 27.2 Class Counsel represent that: (i) Class Counsel are authorized by the Plaintiffs to enter into this Settlement Agreement; and (ii) Class Counsel are seeking to protect and advance the interests of the Settlement Class by entering into and giving effect to this Settlement Agreement.

- 27.3 The waiver by one Party of any breach of this Settlement Agreement by another Party shall not be deemed a waiver of any prior or subsequent breach of this Settlement Agreement.
- 27.4 All time periods in this Settlement Agreement shall be computed in calendar days unless expressly provided otherwise. Also, unless otherwise provided in this Settlement Agreement, in computing any period of time in this Settlement Agreement or by order of a Court, the day of the act or event shall not be included, and the last day of the period shall be included, unless it is a Saturday, a Sunday or a Canadian statutory holiday, or, when the act to be done is a court filing, a day on which the court is closed, in which case the period shall run until the end of the next day that is not one of the aforementioned days.
- 27.5 The Parties agree that any confidential information made available to them solely through the settlement process was made available on the condition that it not be disclosed to third parties, except as required by law.
- 27.6 At all times, the Parties agree not to disclose the substance of the negotiations that led to the settlement including the merits of any position taken by any Party.
- 27.7 This Settlement Agreement sets forth the entire agreement among the Parties with respect to its subject matter. Any agreement purporting to change or modify the terms of this Settlement Agreement must be executed by the Settling Defendants and Class Counsel. The Parties expressly acknowledge that no other agreements, arrangements or understandings not expressed in this Settlement Agreement exist among or between them, and that in deciding to enter into this Settlement Agreement, they have relied solely upon their own judgment and knowledge. This Settlement Agreement supersedes any prior agreements, understandings, or undertakings (written or oral) by and between the Parties regarding the subject matter of this Settlement Agreement.
- 27.8 Whenever this Settlement Agreement requires or contemplates that one of the Parties shall or may give notice to the other or the Monitor, notice shall be

provided by e-mail and / or next-day (excluding a Saturday, Sunday and Canadian statutory holiday) express delivery service as follows:

If to the Settling Defendants, then to:

**Paul-Erik Veel**  
Lenczner Slaght LLP  
130 Adelaide St W. Suite 2600  
Toronto, ON M5H 3P5

Lawyers for the Defendants, Lawrence Krimker, Lyudmila Krimker, 2775996 Ontario Inc., Marble Amalco Inc., and SGHS Management Holdco Inc.

**H. Michael Rosenberg**  
**Sharanya Thavakumaran**  
McCarthy Tétrault LLP  
Suite 5300, TD Bank Tower  
66 Wellington Street West  
Toronto ON M5K 1E6

Lawyers for the Defendants, Crown Crest Capital Management Corp., Crown Crest Financial Corp., Crown Crest Capital Trust, Crown Crest Capital II Trust, Crown Crest Billing Corp., Crown Crest Capital Corp., Crown Crest Funding Corp., Sandpiper Energy Solutions, Sandpiper Energy Solutions Home Comfort, Simply Green Home Services (Ontario) Inc., Simply Green Home Services Inc., Simply Green Home Services Corp., HCSI Home Comfort Inc., and HCSI Home Comfort 2 Inc.

**Clifton Prophet**  
**Scott Kugler**  
Gowling WLG (Canada) LLP  
1 First Canadian Place  
100 King Street West, Suite 1600  
Toronto, ON M5X 1G5

Lawyers for the Defendant, Peoples Trust Company

With a copy to the Monitor:

**Marc Wasserman**  
**Shawn Irving**  
Osler, Hoskin & Harcourt LLP  
1 First Canadian Place, Box 50  
Toronto, Ontario M5X 1B8

Lawyers for the Monitor

If to the Settlement Class, then to:

**David Sterns**  
**Mohsen Seddigh**  
Sotos LLP  
55 University Avenue, Suite 600  
Toronto, Ontario M5J 2H7

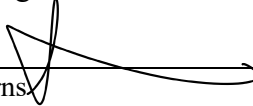
**David Ullmann**  
Blaney McMurtry LLP  
2 Queen St. East, suite 1500  
Toronto, Ontario M5C 3G5

- 27.9 None of the Settlement Class, the Plaintiffs or the Settling Defendants or the Monitor shall be deemed to be the drafter of this Settlement Agreement or of any particular provision, nor shall they argue that any particular provision should be construed against its drafter. All Parties agree that this Settlement Agreement was drafted by counsel for the Parties during extensive arm's-length negotiations.
- 27.10 The division of this Settlement Agreement into sections and the insertion of topic and section headings are for convenience of reference only and shall not affect the construction or interpretation of this Settlement Agreement.
- 27.11 The Parties agree that the Settlement Agreement was reached voluntarily after consultation with competent legal counsel and in accordance with instructions given.
- 27.12 This Settlement Agreement, including the Settlement Class Release, shall be governed by, and construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to any conflict of law rule or principle that would mandate or permit application of the substantive law of any other jurisdiction.
- 27.13 This Settlement Agreement may be signed with an electronic signature and in counterparts, each of which shall constitute a duplicate original.

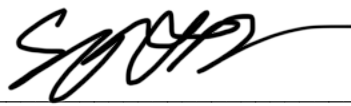
*[The remainder of this page is intentionally left blank]*

IT IS HEREBY AGREED by the undersigned as of November 1, 2024.

Per:

  
\_\_\_\_\_  
David Sterns  
Sotos LLP  
Class Counsel

per:

  
\_\_\_\_\_  
Clifton Prophet  
Gowling WLG (Canada) LLP  
Counsel for Peoples Trust Company

\_\_\_\_\_  
Michael Rosenberg  
McCarthy Tetrault LLP  
Counsel for Crown Crest Capital Management Corp., Crown  
Crest Financial Corp., Crown Crest Capital Trust, Crown Crest  
Capital II Trust, Crown Crest Billing Corp., Crown Crest Capital  
Corp., Crown Crest Funding Corp., Sandpiper Energy Solutions,  
Sandpiper Energy Solutions Home Comfort, Simply Green  
Home Services (Ontario) Inc., Simply Green Home Services  
Inc., Simply Green Home Services Corp., HCSI Home Comfort  
Inc., and HCSI Home Comfort 2 Inc.

\_\_\_\_\_  
Paul-Erik Veel  
Lenczner Slaght LLP  
Counsel for Lawrence Krimker, Lyudmila Krimker, 2775996  
Ontario Inc., Marble Amalco Inc., and SGHS Management  
Holdco Inc.

This Settlement Agreement has been reviewed and is acknowledged by the Monitor

**KPMG Inc.,**

In its capacity as Court-Appointed Monitor of  
the CCAA Debtors, and not in its personal or corporate capacity

By:

\_\_\_\_\_  
Name: Pritesh Patel  
Title: Partner, Deal Advisory

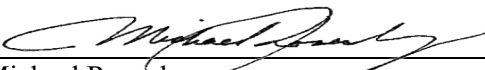
IT IS HEREBY AGREED by the undersigned as of November 1, 2024.

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David Sterns  
Sotos LLP  
Class Counsel


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Clifton Prophet  
Gowling WLG (Canada) LLP  
Counsel for Peoples Trust Company



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Michael Rosenberg  
McCarthy Tetrault LLP  
Counsel for Crown Crest Capital Management Corp., Crown  
Crest Financial Corp., Crown Crest Capital Trust, Crown Crest  
Capital II Trust, Crown Crest Billing Corp., Crown Crest Capital  
Corp., Crown Crest Funding Corp., Sandpiper Energy Solutions,  
Sandpiper Energy Solutions Home Comfort, Simply Green  
Home Services (Ontario) Inc., Simply Green Home Services  
Inc., Simply Green Home Services Corp., HCSI Home Comfort  
Inc., and HCSI Home Comfort 2 Inc.




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Paul-Erik Veel  
Lenczner Slaght LLP  
Counsel for Lawrence Krimker, Lyudmila Krimker, 2775996  
Ontario Inc., Marble Amalco Inc., and SGHS Management  
Holdco Inc.

This Settlement Agreement has been reviewed and is acknowledged by the Monitor

**KPMG Inc.,**  
In its capacity as Court-Appointed Monitor of  
the CCAA Debtors, and not in its personal or corporate capacity

By:   
Name: Pritesh Patel  
Title: Senior Vice President

**List of Schedules:**

Schedule 1: Approval Order

Schedule 2: Order on Motion to Amend and Add Parties

Schedule 3: Order for Certification and Approval of Notice Plan and Notices of Certification and Settlement Approval Hearing

Schedule 4: Short-Form Notice of Certification and Settlement Approval Hearing

Schedule 5: Long-Form Notice of Certification and Settlement Approval Hearing

Schedule 6: Notice Plan

Schedule 7: Order (Invalidity of Notices of Security Interest and Liens on Home Title)

**SCHEDULE 1: APPROVAL ORDER**

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

THE HONOURABLE ) THE \_\_\_\_\_ DAY OF  
)  
JUSTICE AKBARALI ) \_\_\_\_\_, 20\_\_

**B E T W E E N:**

ALGA ADINA BONNICK and GORAN STOILOV DONEV

Plaintiffs

and

LAWRENCE KRIMKER, CROWN CREST CAPITAL MANAGEMENT  
CORP., CROWN CREST FINANCIAL CORP., CROWN CREST CAPITAL  
TRUST, CROWN CREST CAPITAL II TRUST, CROWN CREST BILLING  
CORP., CROWN CREST CAPITAL CORP., CROWN CREST FUNDING  
CORP., SANDPIPER ENERGY SOLUTIONS, SANDPIPER ENERGY  
SOLUTIONS HOME COMFORT, SIMPLY GREEN HOME SERVICES  
(ONTARIO) INC., SIMPLY GREEN HOME SERVICES INC. and SIMPLY  
GREEN HOME SERVICES CORP.

Defendants

**A N D B E T W E E N:**

ALGA ADINA BONNICK, GORAN STOILOV DONEV  
and SARAH-JANE SHAW

Plaintiffs

- and -

PEOPLES TRUST COMPANY, LAWRENCE KRIMKER,  
LYUDMILA KRIMKER, 2775996 ONTARIO INC., MARBLE AMALCO INC.,  
HCSI HOME COMFORT INC., HCSI HOME COMFORT 2 INC. and  
SGHS MANAGEMENT HOLDCO INC.

Defendants

Proceeding under the *Class Proceedings Act, 1992*

**ORDER**  
**(Settlement Approval)**

**THIS MOTION** made by the plaintiffs, Alga Adina Bonnick, Goran Stoilov Donev and Sarah-Jane Shaw, for an order approving the settlement agreement entered into with Lawrence Krimker, Crown Crest Capital Management Corp., Crown Crest Financial Corp., Crown Crest Capital Trust, Crown Crest Capital II Trust, Crown Crest Billing Corp., Crown Crest Capital Corp., Crown Crest Funding Corp., Sandpiper Energy Solutions, Sandpiper Energy Solutions Home Comfort, Simply Green Home Services (Ontario) Inc., Simply Green Home Services Inc., Simply Green Home Services Corp., Simply Group, HCSI Home Comfort Inc., HCSI Home Comfort 2 Inc., Ecohome Financial Inc., Simply Group Acquisition Corp., Peoples Trust Company, Lyudmila Krimker, 2775996 Ontario Inc., Marble Amalco Inc., and SGHS Management Holdco Inc. (collectively the “**Settling Defendants**”), was heard this day.

**ON READING** the materials filed, including the notice of motion and the evidence filed by the parties, including the Settlement Agreement dated as of October [X], 2024 (the “**Settlement Agreement**”), attached to this order as Schedule “**A**”, and on hearing the submissions of counsel for the plaintiffs and the class, and counsel for the Settling Defendants;

**ON READING** the affidavit evidence filed in support of this motion, including the evidence on the notice given to the Class pursuant to the Notice Plan approved by this Court on [X] [X], 2024;

**AND ON READING** the certification and notice approval order in this action dated October [X], 2024, which set out the class definition, the Common Issue, and the nature of the claims asserted on behalf of the class;

**AND ON BEING ADVISED** that the deadline for objecting to the Settlement Agreement has passed and there have been [X] written objections and [X] written comments in respect of the Settlement Agreement;

**AND HAVING CONSIDERED** any and all such comments or objections;

**AND ON BEING ADVISED** that the deadline for opting out of the action has passed, and [X] individuals validly exercised their right to opt out;

**AND ON BEING ADVISED** that the plaintiffs and the Settling Defendants consent to this order;

1. **THIS COURT DECLARES** that the notice given of certification, the means of opting out of the Class, and the hearing of the plaintiffs' motion for approval of the Settlement Agreement meets the requirements of sections 17 and 19 of the *Class Proceedings Act, 1992*, being the best notice that is practicable in the circumstances.
2. **THIS COURT ORDERS** that the settlement of this class action on the terms set forth in the Settlement Agreement is fair and reasonable and in the best interests of the Class and is hereby approved pursuant to section 27.1 of the *Class Proceedings Act, 1992*.
3. **THIS COURT ORDERS** that in addition to the definitions used elsewhere in this order and in the certification and notice approval order, for the purposes of this order, the use of capitalized terms in this order shall have the same meaning as found in the Settlement Agreement and that in the event of a conflict, this order shall prevail.

4. **THIS COURT ORDERS** that the Settlement Agreement is expressly incorporated by reference into this order, is valid and binding on the parties thereto and on all Settlement Class Members and shall be implemented in accordance with its terms.
  
5. **THIS COURT ORDERS** that the Settling Defendants shall, within thirty (30) days of this order, use commercially reasonable efforts to provide Class Counsel, and any third-party administrator appointed by the Court, with contact information for Class Members who paid moneys to any of the Settling Defendants to terminate or buy out their Leases during the period from July 17, 2013 to January 15, 2025, and the amount of those termination or buy out payments, to facilitate the administration of the settlement, under the following conditions:
  - a. Class Counsel, and any third-party administrator appointed by the Court, shall treat all such information provided under this order as confidential and shall not disclose it to any third party, except as necessary for the administration of this action, and in accordance with the terms of this order.
  
  - b. The contact information provided shall be used solely for the purpose of facilitating the implementation of the Settlement Agreement, and shall not be used for any other purpose without the express consent of the Class Member or further order of the Court.
  
  - c. Class Counsel, and any third-party administrator appointed by the Court, shall implement reasonable security measures to protect the contact information.

- d. Upon the conclusion of the implementation of the class action, including the resolution of all appeals, Class Counsel, and any third-party administrator appointed by the Court, shall destroy all copies of the contact information in their possession, save for one archival copy which may be retained for compliance with professional obligations or future Court orders.
  - e. Any Class Member may request, in writing, that their information be excluded from future communications regarding the class action, and Class Counsel shall promptly comply with any such request.
6. **THIS COURT ORDERS AND DECLARES** that without in any way affecting the finality of this order, this Court reserves exclusive and continuing jurisdiction over these actions, the plaintiffs, all of the Class Members and the Settling Defendants for the limited purposes of implementing the Settlement Agreement and its administration.
7. **THIS COURT ORDERS** that the annual escalation of monthly Lease payments for all Leases held as of the date of the Settlement Agreement be permanently capped at 3.5% per annum for the Settlement Class in accordance with the Settlement Agreement.
8. **THIS COURT ORDERS** that any and all contractual buyout and/or termination fees on Leases of HVAC Equipment held as of the date of the Settlement Agreement shall be permanently reduced by 25%, as such fees are calculated under the terms of the Leases.
9. **THIS COURT ORDERS, ADJUDGES AND DECLARES** that this order and the Settlement Agreement are binding upon all Class Members, including those persons who are under a disability.

10. **THIS COURT ORDERS AND DECLARES** that the requirements of Rules 7.04(1) and 7.08(1) and (2) of the *Rules of Civil Procedure* are dispensed with in respect of this action.
11. **THIS COURT ORDERS** that the legal fees and disbursements of Class Counsel shall be determined by further order of this Court.
12. **THIS COURT ORDERS** that the unenforceability of all notices of security interest, lien or similar encumbrance on title to property of Class Members pursuant to the Settlement Agreement shall be the subject of further order of this Court.
13. **THIS COURT FURTHER DECLARES AND ADJUDGES** that the Releasors have hereby released all Released Claims as against the Releasees as set out in the Settlement Agreement. The persons identified in Schedule “B” hereto have opted-out and excluded themselves from the Class, such that these persons are not bound by this order and are not entitled to any relief or given any rights under the Settlement Agreement.
14. **THIS COURT ORDERS** that on the Effective Date provided in Schedule “A”, each Other Action commenced or maintained by a Releasor, including any counterclaims made by the Settling Defendants in such Other Action, shall be and is hereby dismissed in respect of Released Claims against the Settling Defendants and the Releasees, without costs.
15. **THIS COURT ORDERS** that, except as otherwise provided in Schedule “A”, these actions shall be dismissed on the Effective Date without costs and with prejudice.

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**The Honourable Justice Akbarali**

**ALGA ADINA BONNICK et al.**

**Plaintiffs**

-and-

**LAWRENCE KRIMKER et al.  
PEOPLES TRUST COMPANY et al.  
Defendants**

**Court File No. CV-21-00665193-00CP  
CV-23-00711844-00CP**

***ONTARIO*  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT TORONTO

Proceeding under the *Class Proceedings Act, 1992*

**ORDER  
(Settlement Approval)**

**SOTOS LLP**

55 University Avenue, Suite 600  
Toronto, ON M5J 2H7

David Sterns (LSO # 36274J)

[dsterns@sotos.ca](mailto:dsterns@sotos.ca)

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Tel: 416-977-0007

Lawyers for the Plaintiffs

**SCHEDULE 2: ORDER FOR MOTION TO AMEND AND ADD PARTIES**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE ) THE \_\_\_\_\_ DAY OF  
)  
JUSTICE AKBARALI ) \_\_\_\_\_, 20\_\_

B E T W E E N:

ALGA ADINA BONNICK, GORAN STOILOV DONEV  
and SARAH-JANE SHAW

Plaintiffs

- and -

PEOPLES TRUST COMPANY

Defendants

Proceeding under the *Class Proceedings Act, 1992*

**ORDER  
(Motion to Amend / Add Parties)**

**THIS MOTION** made by the plaintiffs for an order to amend the claim was heard this day at the courthouse, 330 University Avenue, 8th Floor, Toronto, ON.

**ON READING** the materials filed;

**AND ON BEING ADVISED** that in accordance with paragraph 14 of the Amended and Restated Initial Order (the “**ARIO**”) in the *Matter of a Plan of Compromise or Arrangement of Crown Crest Capital Management Corp. et al.* (Court File No. CV-23-00709183-00CL), the Monitor and the Respondents to that application have agreed that the stay of proceedings under

the ARIO (the “**Stay**”) be lifted for the limited purpose of (i) bringing a motion for the relief set out in the Plaintiffs’ Motion Record herein dated May 10, 2024, including adding Lawrence Krimker and Lyudmila Krimker (together, the “**Krimker Parties**”) as additional parties to this action, (ii) seeking certification for settlement purposes of the action styled *Bonnick et al v. Krimker et al* (Court File No. CV-21-00665193-00CP, the “**Bonnick Action**”) and this action, and (iii) seeking court approval of the settlement of the Bonnick Action and this action (the “**Settlement**”);

**AND ON BEING ADVISED** that the parties have agreed that to the extent that the Krimker Parties are not added to this action, the Bonnick Action and this action are not certified for settlement purposes, or the Settlement is not approved or otherwise terminates, the Stay, to the extent it applies, shall automatically resume, and any actions taken that would have been subject to the Stay shall be deemed null, void, and of no effect;

**AND ON BEING ADVISED** that that the defendant and the proposed added parties consent to this Order;

1. **THIS COURT ORDERS** that leave be and is granted to add Lawrence Krimker, Lyudmila Krimker, 2775996 Ontario Inc., Marble Amalco Inc., HCSI Home Comfort Inc., HCSI Home Comfort 2 Inc., and SGHS Management Holdco Inc. as defendants to this action.
2. **THIS COURT ORDERS** that leave be and is granted to the plaintiffs to file the Fresh as Amended Statement of Claim substantially in the form attached hereto as Schedule “**A**”.
3. **THIS COURT ORDERS** that leave be and is granted to amend the title of proceedings to read as follows:

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

*(Court Seal)*

ALGA ADINA BONNICK, GORAN STOILOV DONEV  
and SARAH-JANE SHAW

Plaintiffs

- and -

PEOPLES TRUST COMPANY, LAWRENCE KRIMKER, LYUDMILA KRIMKER, 2775996  
ONTARIO INC., MARBLE AMALCO INC., HCSI HOME COMFORT INC., HCSI HOME  
COMFORT 2 INC., and SGHS MANAGEMENT HOLDCO INC.

Defendants

*Proceeding under the Class Proceedings Act, 1992*

4. **THIS COURT ORDERS** that to the extent that the Bonnick Action and this action are not certified for settlement purposes, or the Settlement Agreement is not approved or otherwise is terminated, this order shall be set aside and declared null and void and of no force or effect without the need for any further order of this Court.
5. **THIS COURT ORDERS** that there shall be no costs of this motion.

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**The Honourable Justice Akbarali**

**ALGA ADINA BONNICK et al.**  
**Plaintiffs**

-and-

**PEOPLES TRUST COMPANY**  
**Defendant**

**Court File No. CV-23-00711844-00CP**

***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT TORONTO

Proceeding under the *Class Proceedings Act, 1992*

**ORDER**  
**(Motion to Amend/Add Parties)**

**SOTOS LLP**

55 University Avenue, Suite 600  
Toronto, ON M5J 2H7

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Mohsen Seddigh (LSO # 70744I)  
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Tel: 416-977-0007

Lawyers for the Plaintiffs

**SCHEDULE 3: ORDER FOR CERTIFICATION AND APPROVAL OF NOTICE PLAN AND  
NOTICES OF CERTIFICATION AND SETTLEMENT APPROVAL HEARING**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE ) THE \_\_\_\_\_ DAY OF  
)  
JUSTICE AKBARALI ) \_\_\_\_\_, 20\_\_

**B E T W E E N:**

ALGA ADINA BONNICK and GORAN STOILOV DONEV

Plaintiffs

and

LAWRENCE KRIMKER, CROWN CREST CAPITAL MANAGEMENT  
CORP., CROWN CREST FINANCIAL CORP., CROWN CREST CAPITAL  
TRUST, CROWN CREST CAPITAL II TRUST, CROWN CREST BILLING  
CORP., CROWN CREST CAPITAL CORP., CROWN CREST FUNDING  
CORP., SANDPIPER ENERGY SOLUTIONS, SANDPIPER ENERGY  
SOLUTIONS HOME COMFORT, SIMPLY GREEN HOME SERVICES  
(ONTARIO) INC., SIMPLY GREEN HOME SERVICES INC., and SIMPLY  
GREEN HOME SERVICES CORP.

Defendants

**A N D B E T W E E N:**

ALGA ADINA BONNICK, GORAN STOILOV DONEV,  
and SARAH-JANE SHAW

Plaintiffs

- and -

PEOPLES TRUST COMPANY, LAWRENCE KRIMKER, LYUDMILA KRIMKER,  
2775996 ONTARIO INC., MARBLE AMALCO INC., HCSI HOME COMFORT INC.,  
HCSI HOME COMFORT 2 INC., AND SGHS MANAGEMENT HOLDCO INC.

Defendants

Proceeding under the *Class Proceedings Act, 1992*

**ORDER**  
**(Order for Certification and Approval of Notice Plan and Notices of Certification and  
Settlement Approval Hearing)**

**THIS MOTION** made by the plaintiffs for an order certifying these actions as a class proceeding for settlement purposes and an order approving a notice plan and the short-form and long-form notices of certification and settlement approval hearing was heard this day at the courthouse, 330 University Avenue, 8th Floor, Toronto, ON.

**ON READING** the materials filed, including the Settlement Agreement dated October [X], 2024 (the “**Settlement Agreement**”);

**AND ON BEING ADVISED** that all parties consent to this order;

1. **THIS COURT ORDERS** that these actions for alleged breaches of consumer protection law, conspiracy, unconscionability, slander of title, and unjust enrichment are certified as a class proceeding as against the defendants for settlement purposes.
2. **THIS COURT ORDERS** that the “Settlement Class” is defined as:

All Persons in Canada who are or were party to a Lease at any time between July 17, 2013 and January 15, 2025, except Excluded Persons.

Where:

“Excluded Persons” means any putative Class Member who validly opts out of this proceeding in accordance with the terms of this Order and each Defendant;

“Lease” means Equipment leases between putative Class Members and either: (i) a Simply Green Vendor; or (ii) an entity to which a Simply Green Vendor is or was a successor in interest in respect of that Equipment Lease whether by assignment, purchase, corporate acquisition or amalgamation or otherwise, including Leases that have been terminated, bought out, or rescinded, and Leases that have expired or matured;

“Equipment” means furnaces, heat pumps, air conditioners, air purifiers, water heaters, water softeners, water purification systems, water treatment systems, water filters, boilers, thermostats, air cleaners, humidifiers, chimney liners, duct

cleaning services, heat recovery ventilators, filters, and other equipment or services; and

“Simply Green Vendor” means any of Crown Crest Capital Management Corp., Crown Crest Financial Corp., Crown Crest Funding Corp., HCSI Home Comfort Inc., HCSI Home Comfort 2 Inc., Simply Green Home Services Inc., Simply Green Home Services Corp., Utilebill Home Services Inc., Crown Crest Capital Trust, Simply Green Retail Services Inc., Crown Crest Billing Corp., Simply Green Home Services (BC) Inc., Simply Green Home Services (AB) Inc., Simply Green Home Services (SK) Inc., and Simply Green Home Services (MB) Inc.

3. **THIS COURT ORDERS** that Alga Adina Bonnick, Goran Stoilov Donev, and Sarah-Jane Shaw are appointed as the representative plaintiffs of the Settlement Class.
4. **THIS COURT ORDERS** that Sotos LLP is appointed as class counsel in this action.
5. **THIS COURT ORDERS** that the following issue is common to the Settlement Class: Did the Defendants, or any of them, engage in any unfair practices, contrary to ss. 14 or 15 of the *Consumer Protection Act, 2002*, S.O. 2002, c. 30, Sched. A, or an equivalent consumer protection statute of another province?
6. **THIS COURT ORDERS** that the short-form and long-form notices of certification and settlement approval hearing (the “**Notices**”) are approved and shall issue substantially in the forms attached respectively hereto as Schedule “**A**” and Schedule “**B**”.
7. **THIS COURT ORDERS** that the notice plan for the distribution of all notices in this class action is hereby approved in the form attached hereto as Schedule “**C**” (“**Notice Plan**”) and that all notice shall be distributed substantially in accordance with the Notice Plan.

8. **THIS COURT ORDERS** that the plaintiffs are granted leave to readjust the Notice Plan in non-material ways from time to time as needed or desirable to improve outreach, as provided in the Notice Plan, without further order of this Court.
9. **THIS COURT ORDERS** that if the Settlement Agreement is not approved, is terminated in accordance with its terms, or otherwise fails to take effect for any reason, this order, including certification for settlement purposes, shall be set aside and declared null and void and of no force or effect without the need for any further order of this Court.
10. **THIS COURT ORDERS** that putative Class Members can opt out of the class proceeding by sending a written Opt-Out Form to class counsel in accordance with the Notices and substantially in the form attached thereto as Schedule “A”.
11. **THIS COURT ORDERS** that any valid Opt-Out Form must be received by class counsel no later than January 15, 2025 and that no class member shall be permitted to opt out after that date.
12. **THIS COURT ORDERS** that any putative member of the Settlement Class who validly opts out of the class proceeding shall not be able to participate in the class action or to share in the distribution of any funds or benefits received as a result of a settlement, and no further right to opt out will be provided.
13. **THIS COURT ORDERS** that prior to the hearing of the plaintiffs’ settlement approval motion, the plaintiffs shall serve and file a list containing the names of each person who has validly opted out of this class proceeding.

14. **THIS COURT ORDERS** the plaintiffs shall have the short-form notice of certification and settlement approval hearing translated into French, and, subject to the defendants' confirmation, acting reasonably, of the accuracy of the translation, the translated short-form notice shall be deemed to be approved by the Court without any further step needing to be taken, and that the delivery of the short-form notice shall be sufficient for the purposes of notice to the class of certification, opt-out, and settlement approval hearing.
15. **THIS COURT ORDERS** that there shall be no costs of this motion.

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**The Honourable Justice Akbarali**

**ALGA ADINA BONNICK et al.**

**Plaintiffs**

-and-

**LAWRENCE KRIMKER et al.  
PEOPLES TRUST COMPANY et al.  
Defendants**

**Court File No. CV-21-00665193-00CP  
CV-23-00711844-00CP**

***ONTARIO*  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT TORONTO

Proceeding under the *Class Proceedings Act, 1992*

**ORDER  
(Certification and Notice Approval)**

**SOTOS LLP**

55 University Avenue, Suite 600  
Toronto, ON M5J 2H7

David Sterns (LSO # 36274J)

[dsterns@sotos.ca](mailto:dsterns@sotos.ca)

Mohsen Seddigh (LSO # 70744I)

[mseddigh@sotos.ca](mailto:mseddigh@sotos.ca)

Maria Arabella Robles (LSO # 87381F)

[mrobles@sotos.ca](mailto:mrobles@sotos.ca)

Tel: 416-977-0007

Lawyers for the Plaintiffs

**SCHEDULE 4: SHORT-FORM NOTICE OF CERTIFICATION AND SETTLEMENT  
APPROVAL HEARING**

**CROWN CREST, SIMPLY GREEN, AND PEOPLES TRUST COMPANY  
HVAC EQUIPMENT LEASE CLASS ACTIONS**

## **Short Form Notice of Certification and Settlement Approval Hearing**

**THESE CLASS ACTIONS WERE CERTIFIED FOR SETTLEMENT PURPOSES.  
A SETTLEMENT HAS BEEN REACHED, SUBJECT TO COURT APPROVAL.**

**Please read this notice carefully, as it may affect your legal rights.**

### **Who may be affected?**

If you are a homeowner in Canada (except Quebec) and are or were at any time party to a lease agreement for HVAC or HVAC-related Equipment<sup>1</sup> with Crown Crest, Sandpiper Energy Solutions, Simply Green Home Services, or HCSI Home Comfort (defined as “Settling Defendants” below) between July 17, 2013 and January 15, 2025, you could be affected by these class action lawsuits involving certain alleged breaches of consumer protection legislation and other claims.

The class actions apply to all individuals in Canada, with the exception of residents of Quebec, who are or were at any time, directly or indirectly, party to a consumer agreement to lease HVAC or HVAC-Related Equipment involving the defendants, regardless of the identity of the vendor that originated the consumer agreement, between July 17, 2013, and January 15, 2025.

### **Background of the class actions**

- **July 7, 2021:** A class action was commenced against Lawrence Krimker and several Crown Crest, Simply Green Home Services, and Sandpiper companies. The lawsuit alleges that the defendants failed to comply with consumer protection laws by not disclosing material information and unlawfully registering liens against class members’ homes.
- **December 21, 2023:** Another class action was commenced against Peoples Trust Company and others for similar alleged breaches.

The class actions have been certified for settlement purposes and a settlement has been reached with the following defendants: Lawrence Krimker, Crown Crest Capital Management Corp., Crown Crest Financial Corp., Crown Crest Capital Trust, Crown Crest Capital II Trust, Crown Crest Billing Corp., Crown Crest Capital Corp., Crown Crest Funding Corp., Sandpiper Energy Solutions, Sandpiper Energy Solutions Home Comfort, Simply Green Home Services (Ontario) Inc., Simply Green Home Services Inc., Simply Green Home Services Corp., Simply Group, HCSI Home Comfort Inc., HCSI Home Comfort 2 Inc., Ecohome Financial Inc., Simply Group Acquisition Corp., Peoples Trust Company, Lyudmila Krimker, 2775996 Ontario Inc., Marble Amalco Inc., and SGHS Management Holdco Inc. (the “**Settling Defendants**”).

Some of the Settling Defendants are insolvent and in proceedings under the *Companies’ Creditors Arrangement Act* (“**CCAA**”).

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<sup>1</sup> “HVAC or HVAC-Related Equipment” means furnaces, air conditioners, air purifiers, water heaters, water softeners, water purifiers, water treatment systems, water filters, boilers, air cleaners, humidifiers, heat recovery ventilators, chimney liners, duct cleaning services, filters, thermostats and other equipment or services offered under the rental contracts, or bundles of these goods and services.

## Settlement details

The Settling Defendants agree to provide the following benefits:

- A cash payment of \$17,000,000;
- Cash participation in the sale proceeds of the companies that are in insolvency proceedings in the amount of 25% of any purchase price paid over \$250 million;
- Cancellation and arrears forgiveness of \$13,500,000 worth of ongoing consumer agreements for consumers in certain situations of hardship, with the leased equipment to be gifted to the affected class members;
- A permanent cap on annual increases under the lease agreements at 3.5% for leases currently held by the Settling Defendants;
- A permanent 25% reduction in the lease buy-out prices for certain HVAC equipment for leases currently held by the Settling Defendants; and,
- A consent court order to the effect that no notice of security interest or similar lien anywhere in Canada shall be enforceable in respect of leases currently held by the Settling Defendants, together with an individualized letter to affected class members confirming that notices of security interest or other encumbrance registered by the Settling Defendants are of no force and effect. The letter will authorize a lawyer retained by a class member to seek to discharge same from their home title.

In return for these benefits, the settlement, if approved and conditions fulfilled, will settle all claims relating in any way to or arising out of the class actions against the Settling Defendants, including claims that class members were misled, deceived, or tricked into signing their leases. If approved, the settlement will resolve the litigation in its entirety.

The plaintiffs' allegations have not been proven in Court. The Settling Defendants deny the allegations made by the plaintiffs, and the defendants intend to vigorously defend the claims if the Settlement is not approved.

## Approval of settlement

The approval of this settlement is contingent on two judges of the Ontario Superior Court approving it. One of those judges oversees the class actions. The other judge oversees a CCAA insolvency proceeding involving some of the Settling Defendants. The approval of both judges is required.

A settlement approval motion will be heard on February 4, 2025, during which the plaintiffs will seek the Court's approval of the settlement, distribution of funds, and class counsel's fees (33% of the cash component of the settlement only). Further information about the settlement approval hearing will be provided in due course.

<b>YOUR OPTIONS</b>	
Do Nothing:	<b>If you want to be a member of these class actions, <u>you do not need to do anything</u>.</b> Class members who do not oppose the proposed settlement need not attend the settlement approval hearing or take any other action at this time.
Exclude Yourself / Opt-Out:	<b>If you do not want to be a member of the class action, you can exclude yourself from the class actions (“opt-out”) by no later than <u>January 15, 2025</u>.</b> You can do so by sending a signed Opt-Out Form to class counsel. The form is available as Schedule “A” attached to this notice or at the following link: <a href="#">[LINK]</a> . Further details and instructions are specified in the long form notice available at this link: <a href="#">[LINK]</a> .

Object or Comment:	<p><b>If you do not wish to exclude yourself from the class actions but wish to oppose, support, or express opinions on the proposed settlement, you must send your written submissions to class counsel (by mail or email) at the address listed below.</b> Class counsel will forward such submissions to the Court. All filed written submissions will be considered by the Court. If you do not file a written submission by [DATE], you may not be entitled to speak at the settlement approval hearing. If you want to attend this hearing, please contact class counsel for additional details.</p> <p>More details and instructions are specified in the long form notice approved by the Court available at this link: [LINK].</p>
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**For more information, see the long form notice available at this link: [LINK]. If you still have questions, please contact class counsel at [classactions@sotos.ca](mailto:classactions@sotos.ca) or [1-888-977-9806](tel:1-888-977-9806)**

This notice was approved by the Court.

Schedule "A"

**CROWN CREST, SIMPLY GREEN AND PEOPLES TRUST COMPANY  
HVAC EQUIPMENT LEASE CLASS ACTION**

**OPT-OUT FORM**

TO: **SOTOS LLP**  
55 University Ave, Suite 600  
Toronto, ON M5J 2H7  
Attention: Sotos Class Actions

Facsimile: (416) 977-0717  
Email: [classactions@sotos.ca](mailto:classactions@sotos.ca)

I wish to exclude myself from the Crown Crest and Peoples Trust Company HVAC Equipment Lease class action lawsuits. I do **not want to participate** in the class actions styled as *Bonnick et al. v. Crown Crest Management Corp. et al.* and *Bonnick et al. v. Peoples Trust Company et al.* regarding the alleged breaches of consumer protection laws in respect of consumer agreements to lease HVAC and HVAC-related Equipment. I understand that by submitting this form, I will **not be eligible for any payment or other benefit** awarded or paid in the class actions. I understand that completing and submitting this form, will exclude me from the class actions and that **I will receive no benefits from the settlement.** I understand that if I want an opportunity to be compensated, I will have to make a separate individual claim, and if I decide to pursue my own claim and engage a lawyer, I must do so at my own expense. **I understand that some of the defendants are insolvent and in a CCAA insolvency proceeding.**

Reason for opting out: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature: \_\_\_\_\_

First and Last Name (please print):  
Address:  
Postal code:  
Telephone:

**Note: To opt out, this form must be completed in full and received by email or mail at the above address on or before January 15, 2025.**

**SCHEDULE 5: LONG-FORM NOTICE OF CERTIFICATION AND SETTLEMENT  
APPROVAL HEARING**

**CROWN CREST, SIMPLY GREEN, AND PEOPLES TRUST COMPANY  
HVAC EQUIPMENT LEASE CLASS ACTIONS**

**Long Form Notice of Certification and Settlement Approval Hearing**

**THESE CLASS ACTIONS WERE CERTIFIED FOR SETTLEMENT PURPOSES.  
A SETTLEMENT HAS BEEN REACHED, SUBJECT TO COURT APPROVAL.**

**Please read this notice carefully, as it may affect your legal rights.**

**If you are a homeowner in Canada (except Quebec) and are or were at any time party to a lease agreement for HVAC or HVAC-related Equipment<sup>1</sup> with Crown Crest, Sandpiper Energy Solutions, Simply Green Home Services, or HCSI Home Comfort (defined as “Settling Defendants” below) between July 17, 2013, and January 15, 2025, you could be affected by these class action lawsuits involving certain alleged breaches of consumer protection legislation and other claims.**

This notice concerns two class action lawsuits:

- (1) The class action commenced on behalf of Ontario consumers against Lawrence Krimker, and certain Crown Crest, Simply Green, and Sandpiper entities (“**Ontario action**”); and
- (2) The class action commenced on behalf of consumers across Canada (except Quebec) against Peoples Trust Company and several other parties (“**national action**”).

This notice applies to all individuals in Canada, except residents of Quebec, who are or were at any time, directly or indirectly, party to a lease agreement for HVAC or HVAC-Related Equipment involving the defendants, regardless of the identity of the vendor that originated the lease agreement between July 17, 2013 and January 15, 2025.

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<sup>1</sup> “HVAC or HVAC-Related Equipment” means furnaces, air conditioners, air purifiers, water heaters, water softeners, water purifiers, water treatment systems, water filters, boilers, air cleaners, humidifiers, heat recovery ventilators, chimney liners, duct cleaning services, filters, thermostats and other equipment or services offered under the rental contracts, or bundles of these goods and services.

This notice is to advise class members that:

- A settlement has been reached with the following parties: Lawrence Krimker, Crown Crest Capital Management Corp., Crown Crest Financial Corp., Crown Crest Capital Trust, Crown Crest Capital II Trust, Crown Crest Billing Corp., Crown Crest Capital Corp., Crown Crest Funding Corp., Sandpiper Energy Solutions, Sandpiper Energy Solutions Home Comfort, Simply Green Home Services (Ontario) Inc., Simply Green Home Services Inc., Simply Green Home Services Corp., Simply Group, HCSI Home Comfort Inc., HCSI Home Comfort 2 Inc., Ecohome Financial Inc., Simply Group Acquisition Corp., Peoples Trust Company, Lyudmila Krimker, 2775996 Ontario Inc., Marble Amalco Inc., and SGHS Management Holdco Inc. (the “**Settling Defendants**”).
- The class action has been certified for settlement purposes.
- The settlement, if approved, will provide benefits to the class as detailed below. In return, it will settle all claims relating in any way to or arising out of the class actions against the Settling Defendants, including claims that class members were misled, deceived, or tricked into signing their leases. If approved, the settlement will resolve the litigation in its entirety.
- Court hearings will be held during which the plaintiffs will seek the Court’s approval of the settlement, distribution of funds, and class counsel’s fees. Further information about the settlement approval hearing will be provided in due course.
- The approval of this settlement is contingent on two judges of the Ontario Superior Court of Justice approving the settlement. One of those judges oversees the class action. The other judge oversees an insolvency proceeding involving some of the Settling Defendants. The approval of both judges is required.
- The class action settlement approval hearing is scheduled for February 4, 2025.
- The plaintiffs’ allegations have not been proven in Court. The Settling Defendants deny the allegations made by the plaintiffs, and the Settling Defendants intend to vigorously defend the claims if the Settlement is not approved.

<b>YOUR OPTIONS</b>	
Do Nothing:	<p><b>If you want to be a member of these class actions, <u>you do not need to do anything</u>.</b> Class members who do not oppose the proposed settlement need not attend the settlement approval hearing or take any other action at this time.</p>
Exclude Yourself (Opt Out):	<p><b>If you do not want to be a member of the class action, you can exclude yourself from the class actions (“opt-out”) by no later than <u>January 15, 2025</u>.</b> You can do so by sending a signed Opt-Out Form to class counsel. The form is available as Schedule “A” attached to this notice or at the following link: [<a href="#">LINK</a>].</p> <p>More instructions are specified in the section below, titled “What if I don’t want to be in the class action?”</p>
Object or Comment:	<p><b>If you do not wish to exclude yourself from the class actions but wish to oppose, support, or express opinions on the proposed settlement, you must send your written submissions to class counsel (by mail or email) at the address listed below.</b> Class counsel will forward such submissions to the Court. All filed written submissions will be considered by the Court.</p> <p>If you do not file a written submission by [<a href="#">DATE</a>], you may not be entitled to speak at the settlement approval hearing. If you want to attend this hearing, please contact class counsel for additional details. For further instructions, see the section below, titled “What if I want to comment on the settlement?”</p>

**1. Why was this notice issued?**

The Court has approved this notice to be issued to advise class members that the class action was certified for settlement purposes and a settlement was reached with the Settling Defendants. If approved, the settlement will resolve the litigation in its entirety.

This notice explains the class action, the settlement, and your options in respect of the settlement.

## **2. What is a class action?**

In a class action, one or more people called “representative plaintiffs” sue on behalf of people who have similar claims. All of these people with similar claims are called the “class” or “class members”. The Court adjudicates the issues for all class members, except those who removed themselves from the class.

Class members are automatically included in a class action once certified unless they choose to exclude themselves (or “opt out”). In this class action, class members include people who reside anywhere in Canada, except Quebec.

## **3. Who is affected by the class action?**

The Court has certified the following class for settlement purposes, which means this is the group of people covered by the class action and proposed settlement:

All Persons in Canada who are or were party to a Lease at any time between July 17, 2013 and January 15, 2025, except Excluded Persons.

Where:

“Excluded Persons” means any putative Class Member who validly opts out of this proceeding in accordance with the terms of this Order and each Defendant;

“Lease” means Equipment leases between putative Class Members and either: (i) a Simply Green Vendor; or (ii) an entity to which a Simply Green Vendor is or was a successor in interest in respect of that Equipment Lease whether by assignment, purchase, corporate acquisition or amalgamation or otherwise, including Leases that have been terminated, bought out, or rescinded, and Leases that have expired or matured;

“Equipment” means furnaces, heat pumps, air conditioners, air purifiers, water heaters, water softeners, water purification systems, water treatment systems, water filters, boilers, thermostats, air cleaners, humidifiers, chimney liners, duct cleaning services, heat recovery ventilators, filters, and other equipment or services; and

“Simply Green Vendor” means any of Crown Crest Capital Management Corp., Crown Crest Financial Corp., Crown Crest Funding Corp., HCSI Home Comfort Inc., HCSI Home Comfort 2 Inc., Simply Green Home Services Inc., Simply Green Home Services Corp., Utilebill Home Services Inc., Crown Crest Capital Trust, Simply Green Retail Services Inc., Crown Crest Billing Corp., Simply Green Home Services (BC) Inc., Simply Green Home Services (AB) Inc., Simply Green Home Services (SK) Inc., and Simply Green Home Services (MB) Inc.

#### **4. What are these proceedings about?**

On July 7, 2021, the plaintiffs commenced a class action in Ontario against Lawrence Krimker and companies for which he was the founder and CEO including Crown Crest Capital Management Corp., Crown Crest Financial Corp., Crown Crest Capital Trust, Crown Crest Capital II Trust, Crown Crest Billing Corp., Crown Crest Capital Corp., Crown Crest Funding Corp., Sandpiper Energy Solutions, Sandpiper Energy Solutions Home Comfort, Simply Green Home Services (Ontario) Inc., Simply Green Home Services Inc., and Simply Green Home Services Corp.

These companies were parties to, or acquired, lease agreements for the installation, rental, and servicing of HVAC and HVAC-related Equipment (like furnaces, air conditioners, and water heaters) with Ontario consumers. They are alleged to have purchased an interest in the lease agreements, collected money from class members under the lease agreements, and registered Notices of Security Interest (“**NOSIs**”), encumbrances, or “liens” against class members’ homes.

The class action alleges, among other things, that the defendants failed to comply with legal requirements under consumer protection law and other applicable laws. The class action seeks damages and other remedies for the class.

On November 6, 2023, Peoples Trust Company, as senior secured creditor of certain of the defendants, initiated a proceeding under the *Companies' Creditors Arrangement Act* (“**CCAA**”) involving certain of the defendants. This proceeding resulted in an order that stayed the class action.

On December 21, 2023, the plaintiffs commenced a national class action against Peoples Trust Company. The lawsuit was brought for their alleged breach of consumer protection legislation and their alleged conspiratorial role in the conduct also at issue in the Ontario action.

**5. Who are the parties in the class actions?**

In the Ontario action, the plaintiffs who have brought the lawsuit on behalf of the class are Alga Adina Bonnick and Goran Stoilov Donev. In the national action, the plaintiffs who have brought the lawsuit on behalf of the class are Alga Adina Bonnick, Goran Stoilov Donev, and Sarah-Jane Shaw.

The defendants in the Ontario action are Lawrence Krimker, Crown Crest Capital Management Corp., Crown Crest Financial Corp., Crown Crest Capital Trust, Crown Crest Capital II Trust, Crown Crest Billing Corp., Crown Crest Capital Corp., Crown Crest Funding Corp., Sandpiper Energy Solutions, Sandpiper Energy Solutions Home Comfort, Simply Green Home Services (Ontario) Inc., Simply Green Home Services Inc., and Simply Green Home Services Corp.

The defendants in the national action are Peoples Trust Company, Lawrence Krimker, Lyudmila Krimker, 2775996 Ontario Inc., Marble Amalco Inc., HCSI Home Comfort Inc., HCSI Home Comfort 2 Inc., and SGHS Management Holdco.

This notice relates to a settlement reached with all of the above-referenced defendants, as well as Simply Group, Ecohome Financial Inc., and Simply Group Acquisition Corp. who were previously sued in another class action that was stayed in favour of this Ontario class action.

**6. What is the status of the litigation?**

The Court certified the Ontario action and the national action as class actions for settlement purposes.

A settlement agreement will be presented to the Court for approval. If approved, the settlement will resolve the litigation in its entirety.

**7. What if I don't want to be in the class actions?**

Class members have the right to opt out of (exclude themselves from) the class actions:

- Class members who opt out will not be able to receive any of the settlement benefits or otherwise participate in the class action lawsuits.
- If you do not opt out, you will be bound by and eligible to participate in this settlement (if approved) and you will not be able to start or continue your own case against any of the Settling Defendants regarding the claims at issue in this case.

**This means that if you have already started your own lawsuit against any of the Settling Defendants about a lease, you will be bound by the settlement agreement (and your individual lawsuit will be dismissed), unless you opt out.**

If you want to opt out, your opt-out form must be received by **January 15, 2025** at the latest. For complete instructions on how to opt out, please view the Opt-Out Form attached to this notice as Schedule “A”, which can also be found at [**LINK**]. You may also contact class counsel at [classactions@sotos.ca](mailto:classactions@sotos.ca) or [1-888-977-9806](tel:1-888-977-9806) for any questions relating to opting out of the class actions.

If you opt out of the class actions:

- you will not be eligible to participate in the class action, and
- you will not have any rights to receive any benefits in connection with the settlement of these actions, but
- you will not be bound by any further orders or judgments in this case, and you will retain your right to be able to pursue your own case against the Settling Defendants, or any of them, at your own expense, with respect to the claims alleged in these proceedings. In making this decision, you need to be mindful that some of the defendants are insolvent and in a CCAA proceeding.

If the settlement agreement is approved, you will not have another opportunity to opt out in the future without the Court’s permission. If the settlement agreement is not approved or if it otherwise fails to take effect, a case management conference will be held to seek the Court’s directions with

respect to next steps, including the form and content of an additional notice to class members and to any person who opted out.

#### **8. What settlement has been reached in this class action?**

The parties have agreed to settle the class action as against all of the Settling Defendants. The settlement does not constitute a concession or admission of liability, wrongdoing, fault, or omission by the Settling Defendants, and the settlement has been made on the basis that none of the allegations have been proven.

The settlement agreement provides the following benefits to class members:

- A cash payment of \$17,000,000;
- Cash participation in the sale proceeds of the companies protected under the CCAA proceeding in the amount of 25% of the purchase price paid over \$250 million in relation to any transaction concluded in accordance with a court-approved sale process (e.g., where the business is sold for \$251 million, the Class would receive 25% of the \$1 million dollars over the threshold, being \$250,000);
- Cancellation and arrears forgiveness of \$13,500,000 worth of ongoing lease agreements and gifting the equipment thereunder to the affected consumers without further payment or obligation;
- A permanent cap shall apply to the annual increase of payments under the lease agreement at 3.5% per annum for leases currently held by the Settling Defendants;
- A permanent 25% reduction in lease buy-out prices for certain HVAC equipment for leases currently held by the Settling Defendants; and
- A consent court order to the effect that no notice of security interest or similar lien anywhere in Canada shall be enforceable in respect of leases currently held by the Settling Defendants, together with an individualized letter to affected class members confirming that notices of security interest or other encumbrance registered by the Settling Defendants are of no force and effect. The letter will authorize a lawyer engaged by a class member to seek to discharge same from title.

If approved, the settlement benefits will be provided to class members under a set of rules called a “Distribution Protocol,” which will be provided to the class in due course following Court approval.

**9. What will happen if the settlement is rejected by the Court?**

The Court will decide whether to approve or reject the settlement. It does not have the authority to unilaterally change the material terms of the settlement.

If the Court does not approve the settlement, both the Ontario action and the national action will go back to contested litigation.

**10. What if I want to comment on the settlement?**

Class members are entitled, but not obligated, to express their opinion about the settlement and whether it should be approved. If you wish to make a submission to the Court supporting or objecting to the proposed settlement, you must send the submissions in writing (by mail or email) to Sotos LLP, at the address below, and ensure they are received no later than [DATE]. Class counsel will provide all submissions to the Court and the defendants in advance of the hearing.

The written submissions should include:

- a. Your name, address, and telephone number;
- b. A brief statement of the reasons that you support or oppose the proposed settlement; and,
- c. Whether you plan to attend at the settlement approval hearing and wish to speak in court.

**11. When and where will the hearing be?**

The hearing has been scheduled in the Superior Court of Justice in Toronto for **February 4, 2025 at 10 A.M.** The hearing may be conducted either in-person, by zoom, or in a hybrid format. If the hearing does not go ahead on this date, class counsel will provide a further notice. More details of the hearing will be provided in due course when available.

At the hearing, the Court will be asked to (1) approve the Settlement Agreement; and (2) approve class counsel's legal fees.

If the Court approves the settlement, it will then need to be provided to the judge of the Superior Court of Justice overseeing the CCAA proceeding, which involves some of the Settling Defendants. The settlement agreement would only be effective if both judges approve it.

## **12. How can I make a claim under the settlement?**

If the settlement agreement is approved, class members will be provided with a further notice of the schedule for filing a claims form.

The dates for filing claims will be published as soon as possible after the Court approves the settlement agreement and the Distribution Protocol. Updates and information about how to make a claim will be posted as soon as they are available at this website address:

<https://www.sotosclassactions.com/cases/crown-crest-leasing/>.

Class counsel have arranged for a simple process for class members to provide updated contact information including a current email address. For class members **who have not done so already**, an email address allows for faster electronic communication throughout the process.

In order to do so, please visit <https://www.sotosclassactions.com/cases/crown-crest-leasing/> where you will find a form that will allow you to sign up and provide your contact information for updates.

## **13. Who are the lawyers working on these class actions?**

The law firm of Sotos LLP is class counsel and represents class members in these class actions.

Sotos LLP can be reached about these class actions at:

**Telephone (toll free):** 1-888-977-9806

**Email:** [classactions@sotos.ca](mailto:classactions@sotos.ca)

**Mail:** 55 University Ave., Suite 600, Toronto, ON M5J 2H7, Attention: Karen Whibley

#### **14. How are class counsel paid?**

Class members will not have to pay class counsel out of pocket for the work that they have done since these class actions began.

The representative plaintiffs entered into a contingency fee agreement with class counsel providing that class counsel are to be paid only in the event of a successful settlement or trial judgment.

As provided for in that contingency fee agreement, class counsel will be asking that the Court approve their legal fees of 33% of the cash components recovered in the settlement, plus disbursements and applicable taxes.

Further, the Class Proceedings Fund granted funding to the Ontario action and is therefore entitled under the law to 10% of the recovery in the Ontario action.

Approval of the settlement agreement will not depend on court approval of legal fees.

Any approved legal fees and disbursements will be paid out of the settlement.

#### **15. Where can I ask more questions?**

For more information about this class action and the settlement, please visit the following website <https://www.sotosclassactions.com/cases/crown-crest-leasing/>. You can also receive updates by filling out the form on the website. If you have further questions, you can also contact class counsel as set out above.

#### **16. Interpretation**

This notice contains a summary of some of the terms of the settlement agreement. If there is a conflict between the provisions of this notice and the settlement agreement, the terms of the settlement agreement shall prevail.

**PLEASE DO NOT CALL THE SETTLING DEFENDANTS, THE COURTHOUSE, OR  
THE REGISTRAR OF THE COURT ABOUT THESE CLASS ACTIONS.**

**ALL QUESTIONS SHOULD BE DIRECTED TO CLASS COUNSEL OR THE COURT-  
APPOINTED ADMINISTRATOR.**

This notice was approved by the Court.

Schedule "A"

**CROWN CREST, SIMPLY GREEN AND PEOPLES TRUST COMPANY  
HVAC EQUIPMENT LEASE CLASS ACTION**

**OPT-OUT FORM**

TO: **SOTOS LLP**  
55 University Ave, Suite 600  
Toronto, ON M5J 2H7  
Attention: Sotos Class Actions

Facsimile: (416) 977-0717  
Email: [classactions@sotos.ca](mailto:classactions@sotos.ca)

I wish to exclude myself from the Crown Crest and Peoples Trust Company HVAC Equipment Lease class action lawsuits. I do **not want to participate** in the class actions styled as *Bonnick et al. v. Crown Crest Management Corp. et al.* and *Bonnick et al. v. Peoples Trust Company et al.* regarding the alleged breaches of consumer protection laws in respect of consumer agreements to lease HVAC and HVAC-related Equipment. I understand that by submitting this form, I will **not be eligible for any payment or other benefit** awarded or paid in the class actions. I understand that completing and submitting this form, will exclude me from the class actions and that **I will receive no benefits from the settlement.** I understand that if I want an opportunity to be compensated, I will have to make a separate individual claim, and if I decide to pursue my own claim and engage a lawyer, I must do so at my own expense. **I understand that some of the defendants are insolvent and in a CCAA insolvency proceeding.**

Reason for opting out: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature: \_\_\_\_\_

First and Last Name (please print):

Address:

Postal code:

Telephone:

**Note: To opt out, this form must be completed in full and received by email or mail at the above address on or before January 15, 2025.**

**SCHEDULE 6: NOTICE PLAN**

Court File No. CV-21-00665193-00CP

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

ALGA ADINA BONNICK and GORAN STOILOV DONEV

Plaintiffs

and

LAWRENCE KRIMKER, CROWN CREST CAPITAL MANAGEMENT  
CORP., CROWN CREST FINANCIAL CORP., CROWN CREST CAPITAL  
TRUST, CROWN CREST CAPITAL II TRUST, CROWN CREST BILLING  
CORP., CROWN CREST CAPITAL CORP., CROWN CREST FUNDING  
CORP., SANDPIPER ENERGY SOLUTIONS, SANDPIPER ENERGY  
SOLUTIONS HOME COMFORT, SIMPLY GREEN HOME SERVICES  
(ONTARIO) INC., SIMPLY GREEN HOME SERVICES INC., and SIMPLY  
GREEN HOME SERVICES CORP.

Defendants

Proceeding under the *Class Proceedings Act, 1992*

Court File No. CV-23-00711844-00CP

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

ALGA ADINA BONNICK, GORAN STOILOV DONEV  
and SARAH-JANE SHAW

Plaintiffs

- and -

PEOPLES TRUST COMPANY, LAWRENCE KRIMKER,  
LYUDMILA KRIMKER, 2775996 ONTARIO INC., MARBLE AMALCO INC.,  
HCSI HOME COMFORT INC., HCSI HOME COMFORT 2 INC., and  
SGHS MANAGEMENT HOLDCO INC.

Defendants

Proceeding under the *Class Proceedings Act, 1992*

**NOTICE PLAN**

## **I. BACKGROUND**

1. This is a plan for delivery of notice in these class actions pursuant to the *Class Proceedings Act, 1992*, S.O. 1992, c. 6 (particularly, sections 17-21, and 27.1(12)).

### **A. Parties**

2. The parties to this matter are as follows:

- a. The plaintiffs are Alga Adina Bonnick and Goran Stoilov Donev, and Sarah-Jane Shaw;
- b. The settling defendants are Lawrence Krimker, Crown Crest Capital Management Corp., Crown Crest Financial Corp., Crown Crest Capital Trust, Crown Crest Capital II Trust, Crown Crest Billing Corp., Crown Crest Capital Corp., Crown Crest Funding Corp., Sandpiper Energy Solutions, Sandpiper Energy Solutions Home Comfort, Simply Green Home Services (Ontario) Inc., Simply Green Home Services Inc., Simply Green Home Services Corp., Simply Group, HCSI Home Comfort Inc., HCSI Home Comfort 2 Inc., Ecohome Financial Inc., Simply Group Acquisition Corp., Peoples Trust Company, Lyudmila Krimker, 2775996 Ontario Inc., Marble Amalco Inc., and SGHS Management Holdco Inc. (“**Settling Defendants**”).

### **B. History of the Litigation**

3. Alga Adina Bonnick and Goran Stoilov Donev commenced an action against some of the defendants on July 7, 2021, alleging, among others, the non-disclosure of material and statutorily-mandated information to consumers and the use of notices of security interests and other

encumbrances on consumers' home titles as leverage to extract buyout amounts from class members.

4. On November 6, 2023, Peoples Trust Company, as senior secured creditor of certain of the defendants, initiated a proceeding under the *Companies' Creditors Arrangement Act* ("CCAA") involving certain of the defendants. This proceeding resulted in an order that stayed the class action.

5. On December 21, 2023, the plaintiffs commenced an action against Peoples Trust Company for its alleged role in the impugned conduct. The plaintiffs subsequently sought to add other defendants to that action.

6. Justice Conway, who oversees the CCAA proceeding, ordered the parties to attend a mediation in August 2024, failing which, the certification and summary judgment motion in the Ontario action scheduled for October 1-3, 2024 would proceed before Justice Akbarali. The CCAA-imposed stay was lifted for the purposes of the mediation and the hearing of the certification and summary judgment motions.

7. The parties attended three days of mediation with the Honourable Thomas McEwen in August 2024 and another day in September 2024. While a settlement was not achieved, negotiations continued with assistance from Mr. McEwen. After the start of the certification and summary judgment hearing, the parties reached a settlement agreement in principle and the hearing was adjourned on consent.

8. Further, pursuant to paragraph 14 of the Amended and Restated Order in the CCAA proceeding, the respondents and the Monitor consented to a limited and conditional lift stay to permit the parties to seek settlement approval before the Justice Akbarali. Notwithstanding, upon

approval of the settlement by Justice Akbarali, the settlement must further be approved by Justice Conway in respect of the CCAA proceedings pursuant to her Honour's endorsement dated October 10, 2024.

**C. The Class**

9. The class actions and the settlement agreement include a national class (except Quebec), with an Ontario class subsumed therein, as defined in the certification orders.

**D. Factors Affecting Notice Dissemination**

10. This plan is designed to notify the class members of matters that affect their rights (e.g., certification and the settlement approvals) and to provide them with the opportunity to see, read, or hear the notice of certification and settlement approval hearing, understand their rights, and respond if they choose to. This plan also sets out the manner in which class members will be notified if the settlement is approved and implemented.

11. The majority of affected individuals are expected to communicate in English, given the exclusion of Quebec from the class. Nevertheless, notice will be bilingual to the extent appropriate. The plaintiffs seek to only translate the short form notice of certification and settlement approval hearing at this time.

12. Should a Francophone class member need further assistance, both class counsel and the administrator will be equipped to assist in French.

## II. DELIVERY OF NOTICE

13. The distribution of notice is expected to start upon approval by the Court of this notice plan and the initial notices of certification and settlement approval hearing.

14. This notice plan has four pillars. Notice shall be distributed in the following manner:

I. **Direct Notice to Class Members Registered for Updates with Class Counsel:**

The notices of certification and settlement approval hearing (long-form and short-form), if approved by the Court, will be directly emailed to class members who have registered for updates from class counsel. Additionally, any other class members contacting class counsel or the administrator will be encouraged to register for updates and will be directed to the notices of certification and settlement approval hearing and any other relevant Court-approved notices at the time of contact.

II. **Publication on Class Counsel and Administrator's Website:** Court-approved notices will be published on class counsel's website and on any future website operated by the administrator dedicated to this case.

III. **Social Media Advertising:** A digital banner advertisement linking to the online notice will be published using Google Display Network, Facebook, and Instagram. The banner will link to the online publication notice on class counsel's website and the administrator's website for this case. This digital advertising will be geared toward the specific circumstances of the class to increase the likelihood of notice coming to the class members' attention. This shall be done through available means on each platform such as the use of relevant keywords and search words. In the course of the implementation of the settlement (if the settlement is approved by the

Court), the social media advertising may be readjusted from time to time to be responsive to feedback from online advertising and to improve the outreach. As such, this notice plan contemplates a flexible and dynamic approach.

**IV. Display on a News Outlet with National Reach (Digital):** The digital banner advertisement linking to the online notices will be published online on the website of one appropriate newspaper or news outlet of national reach (excluding Quebec) on advice from the administrator.

15. The plaintiffs seek leave of the Court to adjust this notice plan in non-material ways to improve notice delivery in the course of implementation without further order of the Court.

**SCHEDULE 7: ORDER (INVALIDITY OF NOTICES OF SECURITY INTEREST AND  
LIENS ON HOME TITLE)**

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

THE HONOURABLE ) THE \_\_\_\_\_ DAY OF  
)  
JUSTICE AKBARALI ) \_\_\_\_\_, 20\_\_

**B E T W E E N:**

ALGA ADINA BONNICK and GORAN STOILOV DONEV

Plaintiffs

and

LAWRENCE KRIMKER, CROWN CREST CAPITAL MANAGEMENT  
CORP., CROWN CREST FINANCIAL CORP., CROWN CREST CAPITAL  
TRUST, CROWN CREST CAPITAL II TRUST, CROWN CREST BILLING  
CORP., CROWN CREST CAPITAL CORP., CROWN CREST FUNDING  
CORP., SANDPIPER ENERGY SOLUTIONS, SANDPIPER ENERGY  
SOLUTIONS HOME COMFORT, SIMPLY GREEN HOME SERVICES  
(ONTARIO) INC., SIMPLY GREEN HOME SERVICES INC. and SIMPLY  
GREEN HOME SERVICES CORP.

Defendants

**AND B E T W E E N:**

ALGA ADINA BONNICK, GORAN STOILOV DONEV  
and SARAH-JANE SHAW

Plaintiffs

- and -

PEOPLES TRUST COMPANY, LAWRENCE KRIMKER,  
LYUDMILA KRIMKER, 2775996 ONTARIO INC., MARBLE AMALCO INC.,  
HCSI HOME COMFORT INC., HCSI HOME COMFORT 2 INC. and  
SGHS MANAGEMENT HOLDCO INC.

Defendants

Proceeding under the *Class Proceedings Act, 1992*

**ORDER**  
**(Invalidity of Notices of Security Interest and Liens on Home Title)**

**THIS MOTION** made by the plaintiffs, Alga Adina Bonnick, Goran Stoilov Donev and Sarah-Jane Shaw, was heard this day;

**ON READING** the plaintiffs' settlement with Lawrence Krimker, Crown Crest Capital Management Corp., Crown Crest Financial Corp., Crown Crest Capital Trust, Crown Crest Capital II Trust, Crown Crest Billing Corp., Crown Crest Capital Corp., Crown Crest Funding Corp., Sandpiper Energy Solutions, Sandpiper Energy Solutions Home Comfort, Simply Green Home Services (Ontario) Inc., Simply Green Home Services Inc., Simply Green Home Services Corp., Simply Group, HCSI Home Comfort Inc., HCSI Home Comfort 2 Inc., Ecohome Financial Inc., Simply Group Acquisition Corp., Peoples Trust Company, Lyudmila Krimker, 2775996 Ontario Inc., Marble Amalco Inc., and SGHS Management Holdco Inc. (collectively the "**Settling Defendants**");

**ON BEING ADVISED** that these class proceedings concern consumer leases of HVAC equipment between some of the Settling Defendants and certain consumers in Canada ("**Leases**") all as particularized in this Court's order dated [X] [X], 2025, approving the parties' settlement agreement dated October [X], 2024 (the "**Settlement Agreement**");

**ON BEING ADVISED** that the Court seized of the related proceeding under the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, involving certain of the Settling Defendants (Court File No. CV-23-00709183-00CL) has also approved the Settlement Agreement;

**ON READING** the materials filed and section 10 of the Settlement Agreement, which includes this Order on consent of all parties;

1. **THIS COURT ORDERS** that the Settling Defendants and any of their successors or assigns who take their interest after the date of the Settlement Agreement, including but not limited to a buyer in a Sale and Investment Solicitation Process and such buyer's successors and assigns, shall not enforce any notice of security interest or similar lien registered against title to the homes of Class Members anywhere in Canada with respect to the Leases, as defined in the Settlement Agreement, that were held by any of the Settling Defendants on the date of the Settlement Agreement.
  
2. **THIS COURT ORDERS** that any and all registrations of notices of security interest or similar liens against Class Members' home titles anywhere in Canada in respect of any of those Leases held by any of the Settling Defendants on the date of the Settlement Agreement are of no force or effect.
  
3. **THIS COURT ORDERS** that any and all registrations of notices of security interest or similar liens against Class Members' home titles anywhere in Canada in respect of any of the Leases held by any of the Settling Defendants on the date of the Settlement Agreement may be discharged at any time at the sole and exclusive choice and expense of the owner of the subject real estate property.

---

**The Honourable Justice Akbarali**

**ALGA ADINA BONNICK et al.**  
**Plaintiffs**

-and-

**PEOPLES TRUST COMPANY et al.**  
**Defendants**

**Court File Nos. Court File No. CV-21-00665193-00CP and  
CV-23-00711844-00CP**

***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT TORONTO

Proceeding under the *Class Proceedings Act, 1992*

**ORDER**  
**(Invalidity of Notices of Security Interest and Liens on  
Home Title)**

**SOTOS LLP**

55 University Avenue, Suite 600  
Toronto, ON M5J 2H7

David Sterns (LSO # 36274J)  
dsterns@sotos.ca

Mohsen Seddigh (LSO # 70744I)  
mseddigh@sotos.ca

Maria Arabella Robles (LSO # 87381F)  
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Tel: 416-977-0007

Lawyers for the Plaintiffs

# **Appendix “D”**

**CITATION:** Bonnick v. Krimker et al., 2024 ONSC 1151  
**COURT FILE NO.:** CV-21-0065193-00CP  
**DATE:** 20250221

**SUPERIOR COURT OF JUSTICE - ONTARIO**

**RE:** ALGA ADINA BONNICK, GORAN STOILOV DONEV,  
and SARAH-JANE SHAW

**AND:**

LAWRENCE KRIMKER, CROWN CREST CAPITAL MANAGEMENT CORP., CROWN CREST FINANCIAL CORP., CROWN CREST CAPITAL TRUST, CROWN CREST CAPITAL II TRUST, CROWN CREST BILLING CORP., CROWN CREST CAPITAL CORP., CROWN CREST FUNDING CORP., SANDPIPER ENERGY SOLUTIONS, SANDPIPER ENERGY SOLUTIONS HOME COMFORT, SIMPLY GREEN HOME SERVICES (ONTARIO) INC., SIMPLY GREEN HOME SERVICES INC., SIMPLY GREEN HOME SERVICES CORP., PEOPLES TRUST COMPANY, LYUDMILA KRIMKER, 2775996 ONTARIO INC., MARBLE AMALCO INC., HCSI HOME COMFORT INC., HCSI HOME COMFORT 2 INC. and SGHS MANAGEMENT HOLDCO INC.

**BEFORE:** J.T. Akbarali J.

**COUNSEL:** *David Sterns, Mohsen Seddigh and Maria Arabella Robles*, for the plaintiffs

*Paul-Erik Veel* for the defendants and proposed defendants Lawrence Krimker, Lyudmila Krimker, 2775996 Ontario Inc., Marble Amalco Inc., and SCHS Management Holdco Inc.

*H. Michael Rosenberg and Sharanya Thavakumaran*, for the defendants and proposed defendants Crown Crest Capital Management Corp., Crown Crest Financial Corp., Crown Crest Capital Trust, Crown Crest Capital II Trust, Crown Crest Billing Corp., Crown Crest Capital Corp., Crown Crest Funding Corp., Sandpiper Energy Solutions, Sandpiper Energy Solutions Home Comfort, Simply Green Home Services (Ontario) Inc., Simply Green Home Services Inc., and Simply Green Home Services Corp., HCSI Home Comfort Inc., and HCSI Home Comfort 2 Inc.

*Sean Kugler and Clifton Prophet*, for the defendant People's Trust Company

**HEARD:** February 4, 2025

**Proceeding under the *Class Proceedings Act, 1992***

## **ENDORSEMENT**

### **Overview**

[1] On this motion, the plaintiff seeks orders, among others, approving the settlement agreement reached between the plaintiffs and defendants, approving the distribution protocol to govern the administration of the settlement agreement, approving fees and disbursements of class counsel, approving certain other fees to be paid out of the settlement funds, and approving an honorarium for the plaintiff, Alga Adina Bonnicks.

### **Brief Background**

[2] This action arises out of agreements for leased equipment, including water and air filters, entered into between class members and different corporate entities that are alleged to be related or part of a common scheme. The agreements were originated by door-to-door salespeople. In many cases, Notices of Security Interests (“NOSIs”) were registered on title to the class members’ homes, in amounts that appear to far exceed the value of the equipment installed, and at least sometimes in amounts that do not appear to relate to the value of the contracts. There are allegations that the rental charges and buy-out costs of the equipment under the contracts are out of all proportion to the value of the equipment leased.

[3] The plaintiffs allege that the agreements are predatory and unconscionable. They allege causes of action grounded in breach of consumer protection legislation, conspiracy, unconscionability, slander of title, and unjust enrichment.

[4] The issues raised by the plaintiffs have garnered significant public attention. Class counsel, together with advocacy organizations, including Advocacy Centre for the Elderly and Pro Bono Law Ontario, worked to raise awareness of the plaintiffs’ allegations. Media reported on predatory sales tactics that led to the type of allegedly unconscionable contracts at issue in this litigation. The evidence<sup>1</sup>, and the experiences certain class members relayed at the hearing of the settlement approval motion, suggest the defendants, or some of them, engaged in a business plan that included:

- a. Predatory door-to-door sales tactics;
- b. Contracts for rental equipment that were out of all proportion to the value of the equipment leased, including uncapped and unreasonable annual price increases;
- c. Buy-out prices that were unclear, changing, and out of all proportion to the value of the equipment leased;

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<sup>1</sup> The evidence I refer to includes evidence led before me on a summary judgment motion that did not conclude because the parties reached a settlement while it was in process.

- d. Delivery of equipment of lower value or quality than that contracted for;
- e. NOSIs registered on title without the homeowner's knowledge, in amounts well in excess of the value of the equipment or the lease;
- f. Inability for consumers to reach any representative of the corporation holding their contract who was empowered to have a meaningful discussion about the issues arising from the contracts and the NOSIs;
- g. High-pressure tactics demanding payment of amounts already paid by class members;
- h. High-pressure tactics demanding payment of exorbitant buy-out prices to remove NOSIs from title, which class members were required to pay in order to sell or refinance their homes;
- i. Contracts transferred and sold between different corporate entities, leading to confusion on the part of the consumer, and a lack of corporate accountability;
- j. Contracts entered into disproportionately with vulnerable consumers, including the elderly and disabled.

[5] In Ontario, the advocacy efforts and issues raised led to statutory reform, under which consumer NOSIs registered in Ontario were deemed expired: *Homeowner Protection Act, 2024*, S.O. 2024, c. 18, Sched. 4.

[6] Despite the broad range of predatory tactics and unfair business practices described by class members, class counsel focused this litigation more narrowly, to render it more suitable for determination on a class-wide basis. The action concentrates on the NOSIs and the contracts at issue, rather than the door-to-door sales tactics.

[7] I set out the allegations above for context, and not as findings of fact of wrongdoing on the part of the defendants. The alleged wrongdoing of the defendants has not been litigated, and is not before me for determination on this motion. The defendants deny liability.

### **Procedural History of the Action**

[8] The procedural history of this action is complex. It began with a putative class action commenced by the plaintiff, Alga Adina Bonnick, against the defendant Lawrence Krimker and certain of the corporate defendants. While a motion for summary judgment and certification was pending, certain of the defendants in that action became insolvent. A creditor of the insolvent companies, People's Trust Company, commenced proceedings under the *Companies' Creditors Arrangement Act* ("CCAA").

[9] In the course of the CCAA proceedings, the plaintiffs learned information that led them to believe that People's Trust Company was a party to the alleged scheme that underlay the allegations in the class action. The plaintiffs commenced a second putative class action, this time against People's Trust Company.

[10] The stay in the *CCAA* proceedings was lifted to allow the summary judgment motion and certification motion in the first action to proceed. Before the motion was concluded, the parties reached a settlement agreement.

[11] On November 15, 2024, I released an endorsement in both actions: *Bonnick v. Krimker et al.*, 2024 ONSC 6331. In my endorsement, I granted an amendment in the action against People's Trust Company, including adding additional defendants. I consolidated the two actions and certified the consolidated class proceeding for purposes of settlement. I also approved the notice plan and proposed notices.

[12] The certified class is: all persons in Canada who are or were party to a Lease at any time between July 17, 2013 and January 15, 2025 (the Opt Out Deadline), except Excluded Persons. "Lease" and "Excluded Persons" are defined terms, but I need not repeat the definitions of those terms here.

[13] On December 13, 2024, I released an endorsement in the consolidated action: *Bonnick v. Krimker et al.*, 2024 ONSC 7018. In this endorsement, I approved Verita Global as administrator for the implementation of the proposed settlement of the proceeding.

[14] The parties now seek approval of the settlement agreement and the distribution protocol, and ancillary relief. Class counsel seeks approval of its fees and disbursements, as well as other costs to be paid out of the settlement fund, including administration costs and the Class Proceedings Fund levy. I am also asked to make an order approving an honorarium of \$10,000 for one of the representative plaintiffs, Alga Adina Bonnick.

[15] Because some of the defendants continue to be in *CCAA* proceedings, even if I grant the relief sought, the agreement remains subject to approval of the *CCAA* court, to be addressed in a further hearing.

### **Proposed Settlement and Distribution Protocol**

[16] The settlement agreement provides relief for class members in different ways, and not all class members will receive the same relief. It provides:

- a. The defendants will make a cash payment of \$17 million for the benefit of the class. The cash payment will be made by Peoples Trust Company, and not by the insolvent defendants;
- b. The class is entitled to a contingent cash payment, referred to as the "Participation Amount," from the sale proceeds of the companies protected under the *CCAA* proceeding. The Participation Amount shall be 25% of the purchase price paid over \$250 million in connection with any transaction concluded in accordance with the *CCAA*-approved sales process;
- c. A sub-group of class members will receive cancellation and arrears forgiveness of \$13.5 million worth of ongoing leases and the gifting of the leased equipment to the class member without further payment or obligation;

- d. A permanent cap of 3.5% will apply to the annual escalation of lease payments for all leases held as of November 1, 2024; this cap has an estimated value of \$746,000;
- e. A permanent reduction of 25% will apply to the contractual buyout or termination fees on leases of HVAC equipment held as of November 1, 2024 based on how those payments are currently calculated under the terms of the leases; this reduction has an estimated value of \$1.7 million;
- f. A consent order to the effect that no NOSI or similar lien anywhere in Canada shall be enforceable in respect of leases held by the settling defendants, together with an individualized letter to each affected class member authorizing a lawyer engaged and paid for by the individual class member to discharge the NOSI from title at the class members' expense. Although arguably no longer needed in Ontario due to statutory reform, this is a benefit to class members whose property is outside of Ontario.

[17] The settlement contemplates that some of these benefits will be administered directly by the settlement agreement and orders of the court, rather than the distribution protocol. For example, the permanent cap in annual escalation, the reduced buyout and termination fees, and the invalidity of the NOSIs together with the letters authorizing discharge require no further administration if the settlement is approved and the proposed court orders signed.

[18] The cash component of the settlement and lease cancellations are proposed to be distributed under the distribution protocol, as follows:

- a. The net settlement fund shall be paid out to the class members who paid the settling defendants a buyout or termination fee on a *pro rata* basis in an amount not to exceed the amount that was paid. The distribution protocol provides for a streamlined claims process, aided by information provided by the defendants with respect to class members who paid money to terminate their leases;
- b. The defendants shall be responsible for the cancellation of \$11.5 million worth of leases, which they are required to select based on the length of default by the class member as reflected in their internal records.
- c. The plaintiffs, through class counsel, have discretion to cancel a further \$2 million worth of leases having regard to considerations identified in the distribution protocol, including hardship, mental incapacity, significant vulnerability, documented un-honoured cancellation requests, removal of functioning equipment, equipment failure, service issues, non-operational equipment, and door-step fraud and misrepresentations.

[19] The distribution protocol also provides for an internal summary appeal process for class members.

## **Approval of the Settlement and Distribution Protocol**

### Legal Principles Applicable to Motions to Approve a Settlement in a Class Proceeding

[20] Under s. 27.1(1) of the *Class Proceedings Act*, 1992, S.O. 192, c. 6, (“CPA”), a proceeding brought under the CPA may only be settled with court approval. The court shall not approve a settlement unless it determines that the settlement is fair, reasonable, and in the best interests of the class: s. 27.1(5) CPA, at para. 7. The burden lies on the party seeking approval: *Robinson v. Medtronic, Inc.*, 2020 ONSC 1688, at para. 63; *Nunes v. Air Transat A.T. Inc.*, 2005 CarswellOnt 2503 (S.C.J.), at para. 7.

[21] Public policy favours the resolution of complex litigation: *Nunes*, at para. 7.

[22] Settlements need not be perfect; they are compromises: *Lozanski v. The Home Depot, Inc.*, 2016 ONSC 5447, at para. 71. To find that a settlement is not fair and reasonable, it must fall outside a range of reasonable outcomes: *Nunes*, at para. 7. An objective and rational assessment of the pros and cons of a settlement is required: *Mancinelli v. Royal Bank of Canada*, 2017 ONSC 2324, at para. 38. There is a strong presumption of fairness when a proposed class settlement, which was negotiated at arms-length by counsel for the class, is presented for court approval: *Nunes*, at para. 7.

[23] A court must be assured that the settlement secures appropriate consideration for the class in return for the surrender of its litigation rights against the defendants: *Nunes*, at para. 7. However, it is not the court’s function to substitute its judgment for that of the parties or attempt to renegotiate a proposed settlement. Nor is it the court’s function to litigate the merits of the action, or, on the other hand, to rubber-stamp a settlement: *Nunes*, at para. 7.

[24] When considering whether to approve a negotiated settlement, the court may consider, among other things: (a) the likelihood of recovery or likelihood of success; (b) the amount and nature of discovery, evidence or investigation; (c) the proposed settlement terms and conditions; (d) the recommendation and experience of counsel; (e) the future expense and likely duration of litigation and risk; (f) the recommendation of neutral parties, if any; (g) the number of objectors and nature of objections, if any; (h) the presence of good faith, arm’s length bargaining and the absence of collusion; (i) the degree and nature of communications by counsel and the representative parties with class members during the litigation; and (j) information conveying to the court the dynamics of and the positions taken by the parties during the negotiation: *Lozanski*, at para. 73; *Nunes*, at para. 7; *Robinson*, at para. 65.

[25] Other relevant considerations include whether there are any structural indicators that suggest collusion or conflict of interest: *Leslie v. Agnico-Eagles Mines*, 2016 ONSC 532, at para. 8; *Green v. CIBC*, 2022 ONSC 373, at para. 17.

[26] Agreements that place a high value on non-monetary or conditional compensation, contemplate a possible reversion of settlement funds to defendants without a concomitant reduction in class counsel’s compensation, make settlement approval contingent on fee approval and have optics that suggest the settlement is more favourable to class counsel than class members are the kinds of features which suggest collusion or conflict of interest: *Smith Estate v. National*

*Money Mart Co.*, 2010 ONSC 1334, at paras. 33 and 95, varied in part, 2011 ONCA 233; *Leslie*, at footnote 10, *Brown v. Canada (Attorney General)*, 2018 ONSC 3429, at paras. 85-86.

[27] Where counsel is in possession of significant facts and knowledge of risks, the court is justified in assuming that counsel had a complete or almost complete understanding of the risks and rewards of further litigation, and the court will be more comfortable relying on class counsel's recommendation that the settlement is in the best interests of the class: *Cannon v. Funds for Canada Foundation*, 2017 ONSC 2670, at paras. 5-10.

[28] Distribution protocols are assessed under the same legal test as settlement approval, that is, whether the protocol is fair, reasonable, and in the best interests of the class: *Zaniewicz v. Zungui Haixi Corp.*, 2013 ONSC 5490, at para. 59; *The Trustees of the Drywall Acoustic Lathing and Insulation Local 675 Pension Fund v. SNC-Lavalin Group Inc.*, 2018 ONSC 6447, at para. 72.

Should the settlement and distribution protocol be approved?

[29] I consider below the factors relevant to the approval of the settlement and the distribution protocol.

*The Likelihood of Recovery or Success*

[30] The likelihood of recovery is a significant risk in this class proceeding, not least because of the ongoing CCAA proceedings.

[31] Moreover, as Perell J. recognized in *Blackford-Hall v. Simply Group*, 2021 ONSC 8502, at para. 31, historically, many suppliers in the HVAC marketplace go out of business, sometimes by bankruptcy, and some are taken over by other suppliers. "This circumstance makes it difficult for the consumers to escape the agreements that have been assigned, and this circumstance often makes it both difficult and futile to obtain any remedial relief from the vendor (supplier) which breached the consumer protection legislation."

[32] The evidence in this action reveals the assignment of agreements between different corporate entities, demonstrating the concern identified by Perell J.

[33] While the class has a strong legal position with respect to the agreements, a judgment that cannot be enforced would not be of practical value to the class.

*The Amount and Nature of Discovery, Evidence, or Investigation*

[34] Class counsel has had ample opportunity to investigate the allegations underlying this claim. They first became familiar with the alleged scheme when acting *pro bono* in individual proceedings for certain consumers who were party to the sort of leases impugned in this proceeding.

[35] The contact between class counsel and class members in this case was unusually extensive. During the class proceeding, class counsel had contact with hundreds of class members who provided information and documents. They also received extensive documentary productions through the development of a motion record in a highly contested summary judgment motion. In

addition, there was extensive documentary production and records obtained through the *CCAA* proceeding in which class counsel participated on behalf of the class.

[36] Class counsel's knowledge and understanding of the evidence and allegations in this proceeding is thus extensive and deep.

*The Proposed Settlement Terms and Conditions*

[37] The proposed settlement in this case is informed by a similar class action in the same industry, *Cullaton v. MDG Newmarket Inc.* In *Cullaton*, the class alleged that they were owed damages and other remedies due to misleading HVAC leases that contravened the *Consumer Protection Act*. *Cullaton* dealt with a single standard form contract by one supplier. *Cullaton* was settled through an agreement that provided a monetary element and solutions by way of contract modification for class members remaining in their contracts. Class counsel built upon the experiences learned from the *Cullaton* settlement when negotiating the settlement agreement in this proceeding.

[38] I have already described the elements of the proposed settlement and distribution protocol. All class members will derive some benefit from it, although the benefits will be different. Importantly, all NOSIs will become unenforceable, and no longer able to act as an impediment to class members' refinancing or selling their homes. Some class members will receive monetary compensation, while others will receive lease cancellation benefits. Some will receive contractual benefits in the form of reductions in the buy-out cost of the lease, and caps on increases in annual lease payments.

*The Recommendation and Experience of Counsel*

[39] The settlement is recommended by class counsel, who is very experienced. In counsel's view, especially in view of the *CCAA* proceedings, the recovery for the class is as good as could have been expected. It resolves the litigation in a timely manner. For a class that includes a high number of elderly and disabled class members, some of whom have died during the course of the proceeding, a timely resolution provides real value.

*The Future Expense and Likely Duration of the Litigation*

[40] An adjudication of the issues in this litigation would be time-consuming. It would require reviving the summary judgment and certification motion in the original class proceeding, assuming the lift stay order in the *CCAA* proceedings could be continued, which is a questionable assumption. It would require advancing the class proceeding against People's Trust Company, which is at the earliest stages and can be expected to be vigorously contested.

[41] The complexity of two class actions and the *CCAA* proceedings would add delay and expense to the proceedings. Appeals would be expected. The class proceedings would likely take years to resolve.

*The Number of Objectors and Nature of Objections*

[42] The representative plaintiffs support the proposed settlement.

[43] Notice of settlement approval reached a few million people. Two class members objected to the settlement. Four others provided comments. The comments can be described as generally supportive of the settlement. Some class members who commented wished to share their stories with the court. Several class members attended the hearing and shared their views, including objections.

[44] The objections to the settlement were limited to certain aspects only. Two class members shared their view that the cap on lease increases and the reduction in buy-out amount were insufficient, and still resulted in lease costs and buy-out costs out of proportion to the value of the equipment. One class member shared his view that it should be up to the defendants to remove the NOSIs from title to the class members' properties.

[45] Class counsel explained that there was a finite pool of benefits or funds that could be obtained in the settlement, and determining the allocation of those required judgment which they exercised based on the instructions of the representative plaintiffs and the experiences of class members. A significant objective of commencing the proceeding at the outset was to address the NOSIs, and as a result of the proposed settlement, no class member will have to worry about an enforceable NOSI on title. The proposed settlement strikes a balance designed to provide all class members with some relief. I note that the \$2 million in lease cancellations that are within the discretion of class counsel is also meant to address the situation of class members who continue to have leases for HVAC equipment and whose circumstances require further redress, based on the criteria identified earlier, including vulnerability.

[46] Apart from the objectors, I note that there were 31 putative class members who opted out of the settlement, many because they had commenced individual litigation in relation to their contracts.

*The Presence of Good Faith, Arms-Length Bargaining, and the Absence of Collusion*

[47] The parties entered into a negotiation process prompted by order of the CCAA court on advice of the CCAA monitor. They were assisted by a former judge of this court with familiarity with CCAA proceedings. The evidence indicates the negotiations took place over several months, after an initial mediation failed. There is every indication that good faith, arms-length bargaining led to the proposed settlement.

[48] There are no structural elements of the proposed settlement that indicate any collusion or conflict of interest.

*The Dynamics of, and Positions taken by the Parties during the Negotiations*

[49] As I have noted, settlement discussions originally failed, and took months to result in a proposed resolution.

*The Nature of Communications by Counsel and the Representative Plaintiffs with Class Members*

[50] I have already noted that class counsel's communications with class members was unusually frequent and deep. The interest of class members in the proceeding was reflected in the attendance of many spectators at the summary judgment motion, and the participation of class

members at the settlement approval hearing. The class in this proceeding has been attentive and engaged throughout.

*The Risks of Not Approving the Settlement*

[51] I have already averted to the biggest risks inherent in not approving the settlement: the length of time it would take to reach an adjudicated result, the delays associated with appeals, the potential that the stay of proceedings from the *CCAA* proceeding would be renewed, and the risk of inability to recover based on the nature of the HVAC industry and the transfers of contracts between corporate entities, and the insolvency of a number of the corporate defendants.

*Conclusion on Approval of the Settlement and Distribution Protocol*

[52] I reiterate that in determining whether the settlement and distribution protocol ought to be approved, it is not within my discretion to rework aspects of the settlement. I cannot, for example, decide that the settlement should be approved, but with a greater reduction in the buy-out fees for leases, and a smaller cash component. I am asked a yes or no question when it comes to approving the settlement and distribution protocol.

[53] I reiterate too that to find the settlement or distribution protocol is not fair and reasonable, it must fall outside a range of reasonable outcomes.

[54] I accept the submissions of the objectors that the settlement and distribution protocol are not ideal in some respects. They are imperfect, but imperfection is an inescapable characteristic of settlements. All class members will benefit from the proposed settlement and distribution protocol in important and valuable ways. In contrast, the risks of proceeding with the litigation are significant, especially in view of the *CCAA* proceedings and the insolvency of many of the corporate defendants.

[55] In my view, the settlement and distribution protocol are fair, reasonable, and in the best interests of the class. I approve them.

**Notice of Settlement Approval**

[56] The plaintiffs seek approval of a notice of settlement approval. I have reviewed the proposed notice and I am satisfied that it clearly sets out the required information. The proposed notice complies with s. 27.1(12) of the *CPA*.

[57] The court has already approved a notice plan. The notice of settlement approval shall be distributed by the administrator in accordance with the plan. I note that the notice shall only be distributed if the *CCAA* court also grants approval to the settlement, and subject to any non-material modification that may be required by that court. If a material modification is required, the parties may seek a further attendance before me to address notice approval for purposes of the *CPA*.

## **Administration-Related Disbursements**

[58] As I have noted, on December 12, 2024, I approved Verita Global as administrator of the settlement. The settlement, which I have approved, contemplates that the costs of notice and administration of the settlement shall be paid out of the settlement fund. I approve the payment of the administrator's reasonable fees and disbursements from the settlement fund.

## **Class Counsel Fees**

[59] Class counsel seeks approval of its fees the amount of \$5,610,000 plus 33% of any Participation Amount that may result from the sale of the business in the *CCAA* proceeding.

[60] Class counsel entered into retainer agreements with the representative plaintiffs under which class counsel is entitled to 33% of any recovery, plus taxes and disbursements.

[61] The amount class counsel seeks in this case is less than provided for in the retainer agreement. Class counsel seeks approval for 33% of the cash components of the settlement only.

## Legal Principles Applicable to the Approval of Counsel Fees and Disbursements

[62] As Morgan J. noted in *Austin v. Bell Canada*, 2021 ONSC 5068, at para. 10, citing *Commonwealth Investors Syndicate Ltd. v. Laxton*, [1994] O.J. No. 2922, at para. 63 (S.C.J.), when considering whether to approve class counsel fees, "the amount payable under the contract is the starting point for the application of the court's judgment."

[63] In *MacDonald et al. v. BMO Trust Company et al.*, 2021 ONSC 3726, at para. 21, Belobaba J. held that the approach that presumes valid the percentage of recovery agreed to in the contingency fee retainer (up to one-third) is appropriate in most class action settlements. See also *Dufault v. The Toronto-Dominion Bank*, 2024 ONSC 961, at para. 39, where I held, citing *Cannon*, at paras. 8-10, that:

A contingency fee of up to 33% is presumptively valid and enforceable provided that the arrangement is fully understood and accepted by the representative plaintiff, the contingency amount is not excessive, and the contingency fee is not so large as to be unseemly or otherwise unreasonable.

[64] There is ample law explaining why contingency fees in class proceedings advance the goal of access to justice: see, for example, *Baker (Estate) v. Sony BMG Music (Canada) Inc.*, 2011 ONSC 7105, at para. 64; *Osmun v. Cadbury Adams Canada Inc.*, 2010 ONSC 2752, at para. 21.

[65] Contingency fees also incentivize class counsel to maximize recovery for the class, and promote judicial economy by encouraging efficiency in the litigation and discouraging unnecessary work: *Crown Bay Hotel Ltd. Partnership v. Zurich Indemnity Co. of Canada*, 1998 CanLII 14842; *Osmun*, at para. 21

[66] The general principles to apply to the assessment of class counsel's fees were set out by Juriansz J.A., in *Smith Estate v. National Money Mart Co.*, 2011 ONCA 233, at para. 80:

- a. the factual and legal complexities of the matters dealt with;
- b. the risk undertaken;
- c. the degree of responsibility assumed by class counsel;
- d. the monetary value of the matters in issue;
- e. the importance of the matter to the class;
- f. the degree of skill and competence demonstrated by class counsel;
- g. the results achieved;
- h. the ability of the class to pay;
- i. the expectations of the class as to the amount of the fees;
- j. the opportunity cost to class counsel in the expenditure of time in pursuit of the litigation and settlement.

[67] The court also considers the integrity of the profession as a relevant factor: *Fresco v. Canadian Imperial Bank of Commerce*, 2023 ONSC 3335, at paras. 127-133, aff'd 2024 ONCA 628, at paras. 101-102. It is important to note, as the Court of Appeal did in *Fresco*, at para. 84, that the phrase "integrity of the profession" is not meant to connote dishonesty in this context, but rather, a fee that is not champertous.

[68] In *McIntyre Estate v. Ontario (Attorney General)*, 2002 CanLII 45046, at para. 76, the Court of Appeal for Ontario found that a "fee agreement that so over-compensates a lawyer such that it is unreasonable or unfair to the client is an agreement with an improper purpose -- i.e., taking advantage of the client."

[69] The risk class counsel took on must be measured from the outset of the litigation, not with the benefit of hindsight: *Gagne v. Silcorp Ltd.*, 1998 CanLII 1584.

#### Should class counsel fees be approved?

[70] I begin by noting that the jurisprudence reviewed above supports the conclusion that the agreed-upon 33% contingency fee contained in the retainer agreements is presumptively valid. Moreover, the record establishes that the retainer agreements satisfy the requirements of s. 32(1) *CPA*.

[71] I find that the counsel fees sought (plus applicable taxes), and including 33% of any Participation Amount, are fair and reasonable. I reach this conclusion for the following reasons:

- a. Class counsel took on a putative class action that was factually and legally complex, and applied skill and judgment to simplify it to make it into a claim amenable to certification, while still maintaining the class's claims for damages and other relief.

- b. The risk class counsel undertook was significant, in part due to the expected difficulty in obtaining recovery of any judgment obtained; that risk presented itself in concrete terms when many of the corporate defendants became engaged in *CCAA* proceedings.
- c. The risk inherent in the claim was also reflected in the fact that the Class Proceedings Fund had earlier refused to fund a different case involving the same conduct and some of the same defendants. Class counsel advanced a novel, top-down liability theory, and sought relief, such as the class-wide discharge of NOSIs, that was also novel. Class counsel succeeded in obtaining funding from the Class Proceedings Fund, likely in part due to their approach to the issues which, while carrying risk due to its novelty, resulted in a claim that was amenable to class-wide treatment.
- d. Class counsel assumed a significant degree of responsibility in this proceeding. Not only did they act in connection with the original class action, but they commenced a second class action, and took on the responsibility of advocating for the class in the *CCAA* proceedings. In addition, their responsibilities to the class were more demanding than in most class proceedings, due to the significant engagement and communication with and from class members, some of which resulted from the widespread media coverage of the class members' claims.
- e. The monetary value of the matters in issue was significant, as reflected by the size of the settlement.
- f. The matters raised in the action were of great importance to the class. The class has received real value from the proposed settlement, not least of which is the class-wide unenforceability of the NOSIs, in addition to the other monetary and non-monetary relief. In part due to class counsel's advocacy efforts, along with those of the representative plaintiffs, class members, and other advocacy organizations, legislative reform was also achieved.
- g. The results of the settlement are excellent. As I have noted, class members receive real value, and they get it in a timely way, which is particularly important for the elderly and disabled class members who make up a material proportion of the class.
- h. The settlement is large enough that the class has the ability to pay the fees sought.
- i. Class counsel seeks fees that are less than the amount set out in the retainer agreements, and less than the amount that the jurisprudence recognizes as presumptively valid. I thus conclude that the fees sought are within the expectations of the class. Even those class members who objected to portions of the settlement praised class counsel's efforts on behalf of the class.
- j. The opportunity cost to class counsel of this case is significant. The evidence indicates that counsel's total incurred time up to January 20, 2025 is \$1,710,740.109 before HST. Class counsel will also continue to devote time to this action in connection with obtaining approval from the *CCAA* court, as well as in

discharging their active role in the implementation of the settlement as contemplated in the distribution protocol. Class counsel will also maintain an active role in the sales process of the business to be conducted in the *CCAA* proceeding, though that work will be compensated on a contingency basis if the sale price is sufficient to generate a Participation Amount under the terms of the settlement.

- k. In my view, the fees sought do not call into question the integrity of the legal profession, nor are they so large as to be unseemly or unreasonable, when viewed in the context of the actual time counsel devoted and will devote to the litigation, the risks they undertook, and the benefits obtained for the class.

[72] I also approve class counsel's requests for disbursements, plus their request for additional reasonable disbursements up to a maximum of \$30,000 plus taxes, recognizing the amount of work that remains for class counsel in connection with this litigation. If greater disbursements are incurred, class counsel may seek a further order of this court for approval of additional disbursements.

[73] These amounts shall be paid from the settlement fund.

### **Class Proceedings Fund**

[74] The Class Proceedings Fund provided funding to the plaintiff class in the original action. I am asked to approve a levy payable to the Class Proceedings Fund in the amount of 10% on 38.19% of the net settlement fund.

[75] This figure originates from the data provided to class counsel from Chief Restructuring Officer in the *CCAA* proceeding. The best estimate available is that 138,977 leases nationally (some of which may be held by the same class member) were captured in the People's Trust Company class proceeding. The definition of the class in the original class proceeding is wholly subsumed by the definition of the class in the People's Trust Company proceeding (and in the consolidated proceeding). The Chief Restructuring Officer's best estimate is that, of the 138,977 leases, 53,088 leases were in Ontario and involved a NOSI on title, and thus captured by the class definition in the original proceeding.

[76] The Chief Restructuring Officer further estimates that each householder (i.e., class member) has an average of 1.35 leases.

[77] Using these estimates, the original class proceeding covered 39,324 class members, and thus constitutes 38.19% of the national class in the People's Trust Company action.

[78] The plaintiffs calculate the Class Proceedings Fund levy at 10% of 38.19% of the net settlement fund, inclusive of the initial cash payment and any Participation Amount, after payment of class counsel fees, disbursements and administration expenses, in accordance with s. 10(3) of O. Reg. 771/92. I am satisfied that the evidence supports the levy in the amount sought.

[79] In addition, the Class Proceedings Fund advanced disbursements of \$5,294.07 in connection with this litigation. It is entitled to be reimbursed that amount from the settlement fund.

## The Honorarium

[80] The plaintiffs ask that I approve an honorarium for the representative plaintiff, Alga Adina Bonnick, in the amount of \$10,000, to be paid from the settlement fund. They do not seek an honorarium for the other representative plaintiffs.

[81] In *Doucet v. Royal Winnipeg Ballet Company*, 2023 ONSC 2323, the Divisional Court considered the circumstances under which a representative plaintiff may be entitled to an honorarium. The Divisional Court found that a modest payment to the representative plaintiff can be made in exceptional circumstances. In considering whether to approve or disapprove a request for an honorarium, the court should consider the following factors (*Doucet*, at para. 92):

- a. The nature of the case, including whether the representative plaintiff brings forward a claim (such as for sexual abuse) in which they expose themselves to re-traumatization for the benefit of the class.
- b. The nature of the remedies available for the cause of action asserted, particularly cases where even complete success would lead to only a tiny monetary remedy for each class member or none at all.
- c. The steps taken by the representative plaintiff, who must do more than taking an active role and fulfilling the normal steps required in class proceedings, [in] achieving a settlement. Exceptional circumstances include enduring significant additional personal or financial hardship in connection with the prosecution of the class proceeding.
- d. The rationale for the requested payment, which must not be added compensation for losses or damages that fall within the potential remedies available for the causes of action asserted in the claim itself or for the necessary steps to fulfill the responsibilities of a representative plaintiff.
- e. The exposure to a real risk of an adverse costs award.
- f. The quantum of the requested payment, which must be modest both in general terms and in relation to the remedies available to the class members in the settlement.

[82] The Divisional Court's conclusion was cited with approval by the Court of Appeal for Ontario in *Fresco*, at paras. 107-112.

[83] In my view, Ms. Bonnick's contribution to this class proceeding can fairly be described as exceptional.

[84] Ms. Bonnick became a proposed representative plaintiff in her 70s. Ms. Bonnick is a retired house cleaner. She manages chronic medical conditions, including high blood pressure and poor

eyesight. She is of limited means. She had no experience with the civil justice system until this proceeding.

[85] It is apparent to me, from the affidavits of class members that I read in the context of the summary judgment and settlement approval motions, from the written statements class members delivered in connection with the settlement approval motions, and from the stories that class members who attended the settlement approval hearing told me, that many class members experienced a great deal of stress and anxiety as a result of the leases at issue in this proceeding. Class members relayed how their health had suffered from the stress. They felt exploited, and helpless.

[86] The court sees lease-related disputes regularly, but this dispute was qualitatively different, measured by the impact it had on consumers, and particularly those who are vulnerable.

[87] When Ms. Bonnick decided to take on the role of representative plaintiff, she not only sought justice for class members, but she shielded them from having to revisit publicly events that many of them found to be traumatic. Ms. Bonnick went through a lengthy cross-examination, and by placing herself at the forefront of the litigation, she allowed others to protect themselves.

[88] Ms. Bonnick was so committed to the proceeding that she persevered while dealing with the illness of her son. Tragically, he died shortly before the hearing of the summary judgment motion. Ms. Bonnick put off time to grieve with family abroad to be present for the hearing.

[89] The honorarium sought is modest, both in general, and in the context of the benefits of the settlement.

[90] Ms. Bonnick's exceptional commitment to the proceeding ought to be recognized with an honorarium. I approve the honorarium of \$10,000.

### **Conclusion**

[91] In conclusion, I approve the settlement and distribution protocol. I approve class counsel's request for fees, disbursements, and taxes, and the honorarium for Ms. Bonnick. I approve the notice, administration fees, and payment to the Class Proceedings Fund.

[92] These orders are contingent upon the approval of the settlement agreement by the *CCAA* court, and the agreement becoming effective pursuant to its terms.

[93] The plaintiffs have provided me with draft orders with which I am largely satisfied. However, I ask counsel to take these reasons into account and provide me with finalized copies of the orders for my signature.

### **Post-Script**

[94] I wish to thank all counsel for their professionalism and helpful submissions throughout this complex and important litigation. In many ways, this litigation highlights how the objectives of class proceedings — access to justice, behaviour modification, and judicial economy — are not just aspirational.

[95] I also wish to extend my thanks to the class members who participated and engaged in the process; by doing so, you demonstrated the importance of this proceeding to you and to the class, and the value of class actions as a vehicle for justice in our society.

[96] Finally, I wish to offer my thanks to the representative plaintiffs, and particularly to Ms. Bonnick who suffered a great deal personally while continuing to persist in this litigation. There is no access to justice in class proceedings without representative plaintiffs; our system of justice owes each person who is willing to take on the (unpaid) responsibilities of a representative plaintiff for the benefit of others a debt of gratitude.



\_\_\_\_\_  
J.T. Akbarali J.

**Date:** February 21, 2025

# **Appendix “E”**

## FOURTH AMENDMENT TO DIP FACILITY TERM SHEET

Dated: March 24, 2025

### RECITALS:

- A. Simply Green Home Services Corp., Crown Crest Capital Management Corp., Crown Crest Funding Corp. in both its personal capacity and in its capacity as trustee of the Crown Crest Capital Trust, Crown Crest Financial Corp., and Simply Green Home Services Inc. (collectively the “**Borrowers**”), as borrowers, and Peoples Trust Company (the “**DIP Lender**”), as lender, entered into a DIP facility term sheet dated November 9, 2023, as amended by a first amendment dated as of May 1, 2024, a second amendment dated as of September 19, 2024 and a third amended dated as of January 3, 2025 (the “**DIP Facility Term Sheet**”);
- B. The Borrowers have requested certain amendments to the DIP Facility Term Sheet; and
- C. Subject to the terms and conditions contained in this agreement (this “**Amendment**”), the parties hereto have agreed to amend the DIP Facility Term Sheet on the terms and conditions set out below.

**NOW THEREFORE** in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

### 1. DEFINITIONS

- 1.1 **Use of Defined Terms.** Unless otherwise defined herein or the context otherwise requires, capitalized terms used in this Amendment, including its preamble and recitals, have the meanings provided in the DIP Facility Term Sheet, as amended by this Amendment, as applicable.

### 2. AMENDMENTS TO DIP FACILITY TERM SHEET

- 2.1 **Amendments.** Subject to the satisfaction of each of the conditions to effectiveness set forth in this Amendment, the parties agree that:

2.1.1 Section 7(a) of the DIP Facility Term Sheet shall be amended by deleting the reference to “\$30,000,000” therein and replacing it with “\$34,000,000”.

2.1.2 Section 9(a) of the DIP Facility Term Sheet shall be amended by deleting all of the contents therein and replacing it with the following:

*“(a) July 5, 2025, or such later date as the DIP Lender in its sole and absolute discretion may agree to in writing with the Borrowers”.*

### 3. REPRESENTATIONS AND WARRANTIES

- 3.1 **Representations.** The Borrowers each represent and warrant to the DIP Lender that, as of the date hereof (after giving effect to this Amendment):

3.1.1 This Amendment has been duly authorized, executed and delivered by the Borrowers;

3.1.2 This Amendment constitutes a legal, valid and binding obligation of the Borrowers, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other applicable laws affecting creditors' rights generally and to general principles of equity, regardless of whether considered in a proceeding in equity or at law;

3.1.3 The representations and warranties set forth in the DIP Facility Term Sheet and the other DIP Credit Documentation are true and correct in all respects on and as of the date hereof as though made on and as of such date, unless stated to be made as of a specified date; and

3.1.4 No Default or Event of Default has occurred and is continuing.

#### 4. **CONDITIONS**

4.1 **Conditions Precedent.** This Amendment shall become effective on the date upon which there has been receipt by the DIP Lender of the following (which conditions precedent are for the sole and exclusive benefit of the DIP Lender and may be waived by the DIP Lender):

4.1.1 a counterpart of this Amendment fully executed by the Borrowers;

4.1.2 receipt by the DIP Lender of updated Cash Flow Projections, in form and substance satisfactory to the DIP Lender in its sole and absolute discretion; and

4.1.3 receipt by the DIP Lender of an Order of the Court in the CCAA Proceedings approving this Amendment, and amending the Amended and Restated Initial Order granted November 17, 2023 in form and substance satisfactory to the DIP Lender in its sole and absolute discretion.

#### 5. **GENERAL PROVISIONS**

5.1 **Headings Etc.** The inclusion of headings in this Amendment is for convenience of reference only and does not affect the construction or interpretation hereof.

5.2 **Governing Law.** This Amendment is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

5.3 **Assignment.** This Amendment enures to the benefit of, and is binding upon, the parties and their respective successors and permitted assigns.

5.4 **Conflicts.** If, after the date of this Amendment, any provision of this Amendment is inconsistent with any provision of the DIP Facility Term Sheet, the relevant provision of this Amendment shall prevail.

5.5 **DIP Credit Documentation.** This Amendment constitutes DIP Credit Documentation for all purposes under the DIP Facility Term Sheet.

5.6 **Counterparts.** This Amendment may be executed in multiple counterparts, each of which shall be deemed to be an original agreement and all of which shall constitute one agreement. All

counterparts shall be construed together and shall constitute one and the same agreement. This Amendment, to the extent signed and delivered by means of electronic transmission (including, without limitation, facsimile and Internet transmissions), shall be treated in all manner and respects as an original agreement and should be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

*- remainder of page intentionally left blank -*

IN WITNESS HEREOF, the parties hereby execute this Amendment as of the date first written above.

**SIMPLY GREEN HOME SERVICES CORP.;  
SIMPLY GREEN HOME SERVICES INC.;  
CROWN CREST CAPITAL MANAGEMENT  
CORP.; CROWN CREST FUNDING CORP. IN  
BOTH IN ITS PERSONAL CAPACITY AND  
ITS CAPACITY AS TRUSTEE OF THE  
CROWN CREST CAPITAL TRUST; and  
CROWN CREST FINANCIAL CORP.**

**BY JOSEF PROSPERI, SOLELY IN HIS  
CAPACITY AS COURT-APPOINTED CHIEF  
RESTRUCTURING OFFICER OF EACH OF  
THE ABOVE AND NOT IN HIS PERSONAL  
CAPACITY, PURSUANT TO THE  
AUTHORITY GRANTED BY THE INITIAL  
ORDER OF THE ONTARIO SUPERIOR  
COURT OF JUSTICE (COMMERCIAL  
LIST) DATED NOVEMBER 9, 2023**

Signed by:  
*Joe Prospero*  
By: \_\_\_\_\_  
Name: Josef Prospero  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**PEOPLES TRUST COMPANY**

Signed by:  
*Michael Lombard*  
By: \_\_\_\_\_  
Name: Michael Lombard  
Title: Executive Advisor

Signed by:  
*Ann Butler*  
By: \_\_\_\_\_  
Name: Ann Butler  
Title: Chief Legal Officer

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., AND CROWN CREST CAPITAL TRUST

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

PROCEEDING COMMENCED AT TORONTO

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**SIXTH REPORT OF THE MONITOR**

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Lawyers for KPMG Inc., in its capacity as Monitor