

**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

**REPLY**

**(TO THE AMENDED STATEMENT OF DEFENCE OF LAWRENCE  
KRIMKER AND TO THE AMENDED STATEMENT OF DEFENCE OF  
THE OTHER DEFENDANTS)**

1. The plaintiffs admit the allegations contained in paragraphs 20 (except the last sentence, which is denied) and 43 of the Amended Statement of Defence (dated August 5, 2023) of the 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. (“**Corporate, Trust and Other Entities**”) .

2. The plaintiffs admit the allegations contained in paragraphs 2, 3, 4 (except the second sentence, of which the plaintiffs have no knowledge), 5 (only to the extent of the last sentence, and the balance of the paragraph is denied), 8 (only to the extent of the last sentence, and the balance of the paragraph is denied), 9 (only to the extent of the first and last sentences, and the balance of the paragraph is denied), 11 (only to the extent of the first and last sentences, and the balance of the paragraph is denied), 12 (only to the extent of the first, second to last, and last sentences, and the balance of the paragraph is denied), 13 (only to the extent of the first and last sentences, and the balance of the paragraph is denied) of the Amended Statement of Defence (dated July 28, 2023) of Lawrence Krimker.

3. The plaintiffs deny all other allegations in the Amended Statement of Defence of the Corporate, Trust and Other Entities.

4. The plaintiffs deny all other allegations in the Amended Statement of Defence of Mr. Krimker. Mr. Krimker’s design of an opaque web of corporate, trust, and other entities (as he pleads) belies his allegations of being an arms-length director.

5. Mr. Krimker’s portrayal of the Simply Group and his activities is the textbook shell game of using a complex network of companies and other entities to evade liability for unlawful predatory conduct at the expense of consumers like the plaintiffs and other class members.

6. The *Consumer Protection Act, 2002*, S.O. 2002, c. 30, Sched. A, looks beyond opaque and intentionally confusing corporate, trusts, and business names, and holds individuals like Mr. Krimker directly liable.

7. The terms defined in this Reply have the same meaning as in the Amended Fresh as Amended Statement of Claim issued July 4, 2023 (“**Claim**”), unless specifically stated here.

**Regarding the Amended Statement of Defence of the Corporate, Trust and Other Entities**

8. Contrary to paragraph 23, the defendants were involved in what happened to Ms. Bonnick through the defendants’ pre-existing contractual relationship (Financing Agreement as pleaded in paragraphs 19 and 20 of the Claim) with MGA to identify targets, such as Ms. Bonnick, as prey for their impugned conduct.

9. The defendants entered into a Financing Agreement (which they titled “Master Assignment and Program Agreement”) with MGA on June 14, 2017.

10. MGA representatives attended at Ms. Bonnick’s home over a month later and at the direction of and under conditions set by the defendants in the Financing Agreement, on or about July 22, 2017, to carry out the impugned conduct as particularized in paragraphs 28-55 of the Claim.

11. MGA was acting as agent, on behalf of or as contractor of the defendants. That the defendants chose to off-load the door-to-door portion of the impugned conduct to a fellow predatory door-to-door company does not absolve the defendants of liability. Rather, it is a central component of their predatory conduct.

12. Contrary to paragraphs 25 and 26, Ms. Bonnick was never given a copy of the Consumer Agreement, and she first received what is presented by the defendants as her Consumer Agreement (which bears the date of August 23, 2017, i.e. a day after the actual date of the consumer transaction) in the course of this litigation in response to her request to inspect dated April 28, 2023.

13. Contrary to paragraph 26 and the defendants' allegation about a verification call with Ms. Bonnick, the MGA representative attending at her house told her this was a routine call and directed her to say yes to whatever was asked on the call as otherwise she would not qualify for government rebates. As the recording indicates, she was noticeably confused on the phone call when asked anything other than a yes/no/ok question in light of her age and vulnerability.

14. Regardless, the purported verification call has no relevance to the substance of the Claim except insofar as it confirms that Ms. Bonnick, like all other class members, never received disclosure of the material information at issue in the Claim. She, like all other class members, was never told her home would be held hostage by the defendants with a NOSI in return for unconscionable, previously undisclosed, payout sums.

15. Contrary to paragraph 48 and the defendants' allegation about a verification call with Mr. Donev, the defendants have failed to produce for inspection the complete recording of the call despite Mr. Donev's request to inspect.

16. The portion of a purported recording that has been produced shows that Mr. Donev was earlier asking the defendants' agents questions and so they disconnected the call, turned off the recording, and resumed again.

17. Mr. Donev had specific questions about the fees that the defendants would be charging him for the air conditioner in question and how those charges would be off-set by savings on his hydro bill as claimed by the defendants' predatory door-to-door salesman. Mr. Donev did not receive an answer except for the misrepresentations pleaded in the Claim, and he too was directed to say yes to the questions on the call and move on.

18. Regardless, the purported verification call has no relevance to the substance of the Claim except insofar as it confirms that Mr. Donev, like all other class members, never received disclosure of the material information at issue in the Claim. He, like all other class members, was never told his home would be immediately taken hostage by the defendants with NOSIs in exchange for unconscionable, previously undisclosed, payout sums which would be later unilaterally determined by the defendants.

19. As is the case with the purported verification calls with the plaintiffs, the defendants' phone agent never disclosed that this recording is intended to defeat consumer claims once the defendants' unlawful practices come to light, but merely say it is being recorded "for quality and training purposes".

20. The use of so-called verification calls with consumers, such as the ones alleged with the plaintiffs and presumably some other class members, is standard practice amongst predatory door-to-door businesses such as the defendants. The purpose of these recordings and the unusual questions asked is to defeat litigation that can follow from their standard consumer fraud practices (such as purporting to be associated with or acting on behalf of government agencies or reputable

businesses such as Enercare and Enbridge as was the case with the misrepresentations made to Ms. Bonnick at the door) and has been the subject of adverse judicial findings.

21. Contrary to paragraphs 55 and 60, Mr. Donev's situation illustrates the unconscionability of the defendants' conduct and the amounts they demand of consumers like the plaintiffs and other class members. Most consumers need to refinance, if not sell, their home at some point during 15 years. This need triggers the defendants' demand for unconscionable buyout sums in exchange for removing their NOSI(s). In such circumstances, a consumer like Mr. Donev would monthly pay a total of several times the value of an air conditioner over the course of the years and at the end still have to pay an exorbitant payout sum to the defendants, also several times the value of a new air conditioner, to unencumber his home title by removing the NOSI(s).

22. This is not what was disclosed to Mr. Donev or other class members when the defendants sought to entice them to sign the Consumer Agreements. Instead, Mr. Donev was handed Simply Green advertising brochures that stated the opposite:

#### **SIMPLE TERMS**

#### **INTELLIGENT BENEFITS**

#### **Renting Can Save You Money**

Consumer less Natural Gas and Electricity by upgrading to a High Efficiency HVAC System and see a drastic reduction in your heating and cooling costs. No installation or diagnostic charges, competitive monthly rental rates, no-cost repairs, and free replacement in the event that the equipment cannot be repaired.

...

#### **UPGRADE TO HIGH EFFICIENCY**

Upgrade your low or mid-efficiency Furnace and Air Conditioner with brand new Simply Green, ENERGY STAR units and you can reduce your heating and cooling costs by up to 50%. Spend less money on utilities, and help the environment by choosing to heat and cool with Simply Green.

### **WHY CHOOSE SIMPLY GREEN?**

#### **Save Money on Your Annual Energy Bill**

...

#### **SAVE MONEY ON ENERGY**

...

#### **Potential Savings of Over 50% on Monthly Heating and Cooling Expenses**

*Efficiency Ratings* describe the percentage of fuel actually converted to heat. By upgrading from a 60% mid-efficiency unit to a 95% high-efficiency unit, you are effectively using 35% less natural gas. *SEER Ratings* for A/C's are efficiency ratios based seasonal electrical output. The higher the SEER rating, the less electricity used.

**Conserve Energy and Spend Less on Heating and Cooling Costs. Upgrade with Simply Green.**

23. In the case of Mr. Donev, the defendants' advertising brochures specifically projected annual savings of between \$1,138.60 and \$2,341.24. This was false.

24. Mr. Donev, like all other class members, was not informed that his home title would be taken hostage by the defendants' use of NOSIs in exchange for total payments of many times the actual value of the HVAC and HVAC-related Equipment.

25. Contrary to paragraph 60, the defendants' purported "peace of mind" services do not justify the unconscionable undisclosed sums the defendants extract from class members.

26. New HVAC and HVAC-related Equipment is covered by manufacturers' warranties.
27. None of the Corporate, Trust and Other Entities are in the business of customer service; rather they are financiers in search of quick large sums of money off the backs of unsuspecting consumers like the plaintiffs and class members.
28. Mr. Donev has never needed to call for customer service regarding the air conditioner installed at his home. If "peace of mind" was what the defendants were offering Mr. Donev, and other class members, at the time of entering into the Consumer Agreement the defendants did not disclose to the plaintiffs or other class members that such "peace of mind" would cost many times the actual total market value of the HVAC and HVAC-related Equipment in question.

### **The Defendants' Limitations Arguments Should be Rejected**

29. Contrary to paragraph 111 of the Amended Statement of Defence of the Corporate, Trust and Other Entities and paragraph 51 of the Amended Statement of Defence of Mr. Krimker, in addition to the plaintiffs' pleadings in paragraphs 134-138 of the Claim, the plaintiffs' claims (and the rest of the class as defined in paragraph 27 of the Claim) are centred on their home titles. The Claim encompasses claims regarding an interest in land and for declaration(s) in respect of land, which is specifically sought in paragraph 1 of the Claim.
30. Therefore, no limitation period applies to the plaintiffs' claims.
31. Alternatively, the *Real Property Limitations Act*, R.S.O. 1990, c. L.15, applies to the claims of the plaintiffs and other class members, and not the *Limitations Act, 2002*, S.O. 2002, c. 24, Sched. B.



32. Both plaintiffs (and thousands of other class members) still have the defendants' unlawful NOSIs on their home title.

33. Alternatively, the doctrines of postponement and discoverability apply to the plaintiffs' and class members' claims.

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-and-

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

***ONTARIO***  
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PROCEEDING COMMENCED AT TORONTO

**REPLY**

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