



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

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE) FRIDAY THE 15TH DAY OF
)
JUSTICE AKBARALI) November, 2024

BETWEEN:

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

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., 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.

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 November 1, 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.



The Honourable Justice Akbarali

Schedule “A”

**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 Equipment¹ 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”).

¹ “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.

Only class members who paid any of the Settling Defendants a buyout or termination fee may be eligible for cash compensation. Class members in active leases are eligible for some of the lease modification benefits of the settlement summarized above. The details on who may be eligible and how the cash component of the settlement is proposed to be distributed to eligible class members can be found in the proposed Distribution Protocol, subject to the Court's approval, that will be uploaded to [this website](#).

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.

YOUR OPTIONS	
Do Nothing:	If you want to be a member of these class actions, <u>you do not need to do anything</u>. 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:	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>. 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 and on this website . Further details and instructions are specified in the long form notice available on this website .
Object or Comment:	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. 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 December 31, 2024 , 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. More details and instructions are specified in the long form notice approved by the Court available on this website .

For more information, see the long form notice available on [this website](#). If you still have questions, please contact class counsel at 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

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 subject to applicable limitations periods. **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 “B”

**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 Equipment¹ 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.

¹ “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.
- Only class members who paid any of the Settling Defendants a buyout or termination fee may be eligible for cash compensation. Class members in active leases are eligible for some of the lease modification benefits of the settlement summarized below. The details on who may be eligible and how the cash component of the settlement is proposed to be distributed to eligible

class members can be found in the proposed Distribution Protocol, subject to the Court's approval, that will be uploaded on [this website](#).

- 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.

YOUR OPTIONS

Do Nothing:	If you want to be a member of these class actions, <u>you do not need to do anything</u>. 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):	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>. 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 and on this website. More instructions are specified in the section below, titled “What if I don’t want to be in the class action?”
Object or Comment:	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. 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 December 31, 2024, 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?”

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 on [this website](#). You may also contact class counsel at 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);
- For a sub-group of class members to be identified based on certain criteria more specifically described in the Distribution Protocol (as defined below), 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 engaged by the class member at their own expense.

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 December 31, 2024**. If you do not file a written submission by December 31, 2024, 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. 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

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 [this website](#). 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

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 subject to applicable limitations periods. **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 “C”

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.

ALGA ADINA BONNICK et al.

-and-

LAWRENCE KRIMKER et al.

Plaintiffs

Defendants

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

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT TORONTO

Proceeding under the *Class Proceedings Act, 1992*

**ORDER
(Certification and Notice Approval)**

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