

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

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) FRIDAY THE 21ST DAY OF
)
JUSTICE AKBARALI) FEBRUARY, 2025

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
(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 November 1, 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 November 15, 2024;

AND ON READING the certification and notice approval order in this action dated November 15, 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 two written objections and four 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 31 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 the 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 the 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 the 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.



The Honourable Justice Akbarali

Schedule “A”

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 SISF 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 acknowledgement.

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

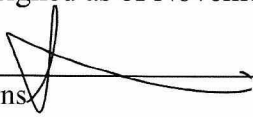
David Ullmann
Blaney McMurtry LLP
2 Queen St. East, suite 1500
Toronto, Ontario M5C 3G5

- 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.

David Sterns
Sotos LLP
Class Counsel

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: 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.

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

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

Maria Arabella Robles (LSO # 87381F)
mrobles@sotos.ca

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.

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

David Sterns (LSO # 36274J)

dsterns@sotos.ca

Mohsen Seddigh (LSO # 70744I)

mseddigh@sotos.ca

Maria Arabella Robles (LSO # 87381F)

mrobles@sotos.ca

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.

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

Mohsen Seddigh (LSO # 70744I)

mseddigh@sotos.ca

Maria Arabella Robles (LSO # 87381F)

mrobes@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 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.

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 January 15, 2025. 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: [LINK] . Further details and instructions are specified in the long form notice available at this link: [LINK] .

Object or Comment:	<p>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 [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 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. **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 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.
- 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:	<p>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.</p>
Exclude Yourself (Opt Out):	<p>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>.</p> <p>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: [LINK].</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>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.</p> <p>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. 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 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

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

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)**

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Lawyers for the Plaintiffs

Schedule "B"

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

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*

LIST OF INDIVIDUALS WHO OPTED OUT OF THE PROCEEDING
(January 15, 2025)

1. Alex Ameyow
2. Christianne Dagdelen, on behalf of Ray Bristow
3. Daniel Carriere
4. Diane Johnston
5. Donna Hodge
6. Felix Smith
7. Fr. Marcos Hanna
8. George Sumarto
9. Gulshan Vellani
10. Jacynthe Collin
11. Jee Nean
12. Karen Noel
13. Maik Sililian

14. Mardelle Wilhelm
15. Mark Oosterhoff
16. Mauril Losier
17. Monique Dietvorst
18. Myrtle Khani
19. Nieco Oosterhof
20. Patrick Gill
21. Peter Baker
22. Philip Smith-Eivemark
23. Sasikala Pathmoleulascelan
24. Scott Marshall
25. Stephen Lovell
26. Stella Lupiani
27. Susan Holloway (Estate)/Emma Perrott
28. Terri Poitras
29. Thanh Haynh
30. Thy Da Meas/Steve Meas
31. Timothy Protty

ALGA ADINA BONNICK et al.

Plaintiffs

-and-

LAWRENCE KRIMKER et al.

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
(Settlement Approval)**

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