



Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

(Court Seal)

DIANNE LEONA QUINN

Plaintiff

- and -

VAULT HOME CREDIT CORPORATION and JOHN DOE

Defendants

Proceeding under the *Class Proceedings Act, 1992*

AMENDED STATEMENT OF CLAIM

TO THE DEFENDANT:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff.
The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service in this court office, WITHIN TWENTY DAYS after this Statement of Claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your Statement of Defence.

ELECTRONICALLY AMENDED on this 11th day of September, 2025
pursuant to Rule 26.02(a).

Anita Denomme

Digitally signed by Anita Denomme
Date: 2025.09.11 13:05:49 -04'00'

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

April 15, 2025

Issued by

Local Registrar

Address of court office: 245 Windsor Ave.,
Windsor, Ontario N9A 1J2

TO: VAULT HOME CREDIT CORPORATION
41 Scarsdale Rd Unit 5
North York, ON M3B 2R2

CLAIM

A. OVERVIEW

1. This proceeding is brought on behalf of homeowner victims of widespread, predatory door-to-door and similar sales practices. Lured by promises of government rebates, energy savings, and “free repairs”, the unsuspecting homeowners instead find themselves locked into long-term, improvident loans with none of the promised rebates or savings. Many of the victims are elderly homeowners who are unable to pay these predatory loans.

2. The defendant, Vault ~~acted~~ acts in concert with door-to-door sales and other fraudsters, who ~~engaged~~ engage in unlawful business practices that misled consumers into signing agreements in breach of consumer protection legislation.

3. The scheme involves two levels of predatory agreements, which consumers are induced to enter into by the door-to-door and other salespersons working in concert with the defendant:

- (a) the agreement for home improvement goods and services as between the door-to-door salespersons (“Dealers” as defined below) and the consumer; and
- (b) a purported loan agreement between Vault and the consumer to finance those goods and services.

4. In both instances, the agreements uniformly fail to comply with consumer protection legislation. The agreements have been intentionally structured to obscure material terms, mislead consumers, and induce them into transactions that are unconscionable, deceptive, and in violation of statutory protections.

5. Neither the plaintiff nor anyone else in the class understood, nor could they have

understood, the true nature and implications of the agreements that Vault and its army of door-to-door and other salespersons were having them enter into. No reasonable homeowner of sound mind would enter into an improvident arrangement such as those imposed by Vault on class members if the true nature of the arrangement were known to them.

6. Vault is instrumental to this scheme. It:

(a) finances and enables the predatory operations of these dealers against the plaintiff and the class, by giving the dealer direct access to its portal to originate loans on its behalf;

(b) effectively defines, leads, and controls the predatory operations of those dealers against the plaintiff and the class with the singular goal of maximizing its profits;
and

~~(b)~~(c) designs, implements, enforces, and profits from undisclosed fees and promotional lending programs, including control over the marketing materials and sales representations of Dealers; and

~~(c)~~(d) controls the unlawful profits flowing from the predatory, but extremely lucrative, conduct at issue in this litigation.

7. With the door-to-door salespersons long gone, the defendant remains to profit from the resulting unlawful and unconscionable consumer agreements.

8. Vault has knowingly received significant benefits from these transactions while facilitating or, alternatively, turning a blind eye to the misleading sales tactics and breaches of consumer

protection legislation by its dealers.

9. Vault's conduct is part of a broader and notorious pattern of abusive practices within the door-to-door home improvement market, particularly the HVAC industry. This market has a long history of aggressive sales tactics, predatory financing schemes, and misleading contractual arrangements. An essential feature of this market is that the financiers recognize that their partnership with these aggressive vendors will ignite their respective origination and sales results. The false and misleading appearance of cheap and automatic financing for the consumer at the point of sale using the aggressive vendor as agent for the financier has enabled wide-spread fraud and economic loss to consumers.

10. Vault's contracts with the plaintiff and the class are uniformly unlawful and should be rescinded; (or alternatively, damages should be provided in lieu of rescission), cancelled or held to be unenforceable. The plaintiff and the class should be freed of the burden unlawfully imposed on them by the defendant.

11. Vault should be held to account for the harm that it and its Dealers have caused to the class. Vault should be permanently enjoined from engaging in the impugned conduct at issue in this litigation.

B. DEFINED TERMS

12. In this Statement of Claim, the following terms have the following meanings:

- (a) “***Class Proceedings Act***” means the *Class Proceedings Act*, 1992, S.O. 1992, c. 6, as amended;
- (b) “**Consumer Agreements**” means the Goods & Services Agreements and Loan Agreements, collectively;
- (c) “***Consumer Protection Act***” means Ontario’s *Consumer Protection Act*, 2002, SO 2002, c 30, Schedule A, and its Regulations, O. Reg. 8/18 and O. Reg. 17/05, all as amended;
- (d) “**Dealer**” means persons who contracted with the plaintiff and the class—typically door-to-door dealers, suppliers, contractors, installers, and trades companies—for HVAC, pools and spas, windows and doors, water treatment, roofing and exteriors, home renovations, and similar goods and services, in association with a Loan Agreement with Vault, such as Provincial Smart Home Services / 2587998 Ontario Inc. (“**PSHS**”), NRG Home Services, Provincial Green Home, amongst others;
- (e) “**Fees**” means any fees associated with the loan, the administration of the loan or for any promotional programs;
- ~~(e)~~(f) “**Equivalent Consumer Protection Legislation**” means the *Consumer Protection Act*, C.Q.L.R. c. P-40.1; *Business Practices and Consumer Protection Act*, S.B.C. 2004, c.2; *Consumer Protection Act*, R.S.A. 2000, c. C-26.3; *The Consumer*

Protection and Business Practices Act, S.S. 2013, c. C-30.2; *The Business Practices Act*, C.C.S.M. c. B120; *The Consumer Protection Act*, C.C.S.M. c. C200; *Consumer Protection Act*, R.S.N.S. 1989, c. 92; *Consumer Protection and Business Practices Act*, S.N.L. 2009, c. C-31.1; *Business Practices Act*, R.S.P.E.I. 1988, c. B-7; *Consumer Protection Act*, R.S.P.E.I. 1988, C-19, including all regulations passed under each statute and in force during the class period, all as amended;

~~(f)~~(g) **“Vault”** means Vault Home Credit Corporation, and includes VaultPay, Vault’s financing affiliates and predecessors involved in the business of the consumer Loan Agreements at issue in this litigation, such as Vault Credit Corporation, HB Leaseco Holdings Inc., Blue Chip Leasing Corporation, and EcoHome Financial;

~~(g)~~(h) **“Goods & Services Agreement”** means the consumer transaction between each class member and a Dealer with respect to HVAC, pools and spas, windows and doors, water treatment, roofing and exteriors, home renovations, and similar home improvement goods and services purportedly provided by the Dealer;

~~(h)~~(i) **“Loan Agreement”** means the consumer transaction between each class member and Vault, whereby Vault extends a loan to the class member, as originated and facilitated by Dealers in connection with a Goods & Services Agreement;

~~(i)~~(j) **“Program Agreement”** means each of the agreements that Vault has with its Dealers, which permit Dealers to provide Vault’s Loan Agreements to consumers in connection with a Goods & Services Agreement.

C. RELIEF SOUGHT

13. The plaintiff, on her own behalf and on behalf of all class members, seeks:

(a) an order certifying this proceeding as a class proceeding and appointing the plaintiff as the representative plaintiff for the class;

~~(b)~~(b) a declaration that Vault engaged and engages in in unfair and unconscionable practices contrary to the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation;

~~(c)~~(c) a declaration that the Consumer Agreements are in breach of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation;

~~(d)~~(d) a declaration that it is not in the interests of justice to require that notice be given pursuant to any section of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation, and waiving any such notice requirement;

~~(e)~~(e) rescission, (or damages in lieu), cancellation and/or a declaration that the Consumer Agreements are invalid and unenforceable under the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation;

~~(f)~~(f) a declaration that the Consumer Agreements are invalid for unconscionability and unenforceable against the class;

~~(e)~~(g) a declaration that Vault conspired, agreed, and arranged to engage in the impugned conduct;

~~(p)~~(h) a declaration that Vault engaged in a common design with its Dealers;

~~(e)~~(i) a declaration that Vault was unjustly enriched at the expense of the plaintiff and the class members, and restitution of all such amounts;

~~(+)~~(j) general damages calculated on an aggregate basis or otherwise for all payments the class members made to Vault;

~~(s)~~(k) special damages for, including but not limited to, out-of-pocket expenses, fees, penalties, damage to credit, mental and emotional suffering, and inconvenience expenses incurred;

~~(+)~~(l) disgorgement of Vault's profits;

~~(+)~~(m) punitive and exemplary damages in the amount of \$10,000,000 under the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation, and under the common law;

~~(+)~~(n) relief from amounts that Vault claims are or were owed or owing to Vault by the plaintiff and the class members;

~~(w)~~(o) an accounting of all revenues and profits made by Vault as a result of the unlawful conduct set out herein;

~~(+)~~(p) a reference to decide any issues not decided at the trial of the common issues;

(q) a temporary stay of proceedings in the Ontario Superior Court of Justice and Small Claims Court that overlap with this class proceeding to which the defendant and a putative class member are amongst the named parties until the final disposition of this action, subject to the putative class members' opt-out rights or a further order of the Court;

~~(y)~~(r) an interlocutory injunction barring Vault from engaging in the conduct particularized herein;

~~(z)~~(s) an order permanently enjoining Vault from engaging in the conduct particularized herein;

~~(aa)~~(t) costs of administration and notice, plus applicable taxes, pursuant to s. 26(9) of the *Class Proceedings Act*;

~~(bb)~~(u) costs of this action;

~~(cc)~~(v) prejudgment interest compounded and post-judgement interest in accordance with ss. 128 and 129 of the *Courts of Justice Act*, R.S.O. 1990, c C.43; and

~~(dd)~~(w) such further and other relief as the parties may advise and this Honourable Court deems just.

D. THE PARTIES

a. The Plaintiff

14. The plaintiff, Dianne Quinn, is a 67-year-old semi-retiree living in Windsor, Ontario.

15. Struggling with her finances, Ms. Quinn continues to work as a part-time cleaner to make ends meet.

16. Ms. Quinn's home boiler system was rented from Reliance Home Comfort.

17. On or about October 9, 2023, a neighbour of Ms. Quinn's who is a PSHS salesperson convinced her that she needed to sign with PSHS to save a lot of money on her monthly boiler rental and utility bill.

18. He promised her ~~should~~she would qualify for rebates if she switched to PSHS. She would need to agree to PSHS buying out her existing boiler from Reliance, and install a heat pump and attic insulation. He assured her this was with a 0% interest loan. He said she would receive a water purifier, with an included cost of \$2,000 plus \$175 for installation. He said the monthly payment under PSHS would be \$96.

19. Ms. Quinn acceded. The PSHS salesperson gave her something to sign digitally on his cellphone. Ms. Quinn could not see what she was signing.

20. Ms. Quinn was not given a Loan Agreement.

21. PSHS contracted with Reliance to buy out and keep in the house the same existing used boiler, and installed a heat pump and attic insulation in her house.

22. Ms. Quinn started paying her monthly bills, which turned out to be \$104 contrary to what PSHS has said.

23. Unbeknownst to Ms. Quinn, Vault registered a Notice of Security Interest (“**NOSI**”) for \$27,000 on Ms. Quinn’s home title on October 18, 2023.

24. Within a few months, Ms. Quinn realized that she had been misled.

25. First, the promised rebates never came. Ms. Quinn did not receive them.

26. Second, the water purifier that she had been charged for was never installed.

27. Third, on or about August 2024, Ms. Quinn received a letter from Vault advising that the interest rate on the Loan Agreement was 11.95% and that her bill was \$265.66 a month.

28. Having realized that PSHS had lied to her, Ms. Quinn started trying to exercise her consumer protection rights. Starting in September of 2024, she sent letters to PSHS and Vault requesting a cancellation of the Consumer Agreement.

29. Ms. Quinn called these parties and asked them to please remove their equipment and leave her in peace. No one paid attention.

30. Ms. Quinn obtained a substitute rented boiler, again from Reliance, and had the Vault boiler (also previously rental from Reliance) uninstalled and placed in her basement so Vault can come and retrieve it. Because of the hole made in her wall to install the Vault heat pump, Ms. Quinn also contracted with Reliance to install a Reliance heat pump in her house, and left the Vault heat pump in her basement next to the boiler for Vault to retrieve.

31. She has asked Vault to come and remove the equipment, but Vault has no interest in getting

the equipment. The boiler and heat pump are still in Ms. Quinn's basement, waiting for Vault to take them.

32. Vault's response in April 2025 to Ms. Quinn's inquiries was to demand \$21,241.98, which Ms. Quinn cannot afford. Otherwise, Vault stated:

If you refuse to accept our offer, and continue to default on your loan, we will apply 24% annual default interest for non-payment and either send your account to Third Party Collections or proceed with litigation. If we seek judgement, we will present this offer letter to amicably settle this account as evidence in court.

33. Desperate and without the ability to retain counsel, Ms. Quinn next contacted the Advocacy Centre for the Elderly ("ACE") for help. Counsel at ACE emailed Vault on Ms. Quinn's behalf with her information and inquiry history, asking for relief.

34. ACE counsel specifically asked for Ms. Quinn's complete, properly signed Loan Agreement, with digital proof that Ms. Quinn had signed the Loan Agreement. In response, Vault provided a purported Loan Agreement and an "e-signature evidence summary" to ACE on April 3, 2025.

35. The e-signature evidence summary indicated that on October 16, 2023, someone with the email address "noemail@vaultpay.com" had forged Ms. Quinn's signature and sent the purported Loan Agreement back to the same email address, instead of Ms. Quinn. This Vault email address does not belong to Ms. Quinn.

36. ACE reviewed the purported Loan Agreement and signature and raised this signature issue with Vault.

37. No answer or relief was provided. Instead, Vault responded, further threatening Ms. Quinn with enforcement:

Please do note that the account is currently 125 days past due with a past due amount of **\$1222.64**. We are not rescinding or closing our contract, please make sure your client is aware of the arrears and requires to clear it or we will be pursuing legal claim by May/June 2025.

38. Vault continues to demand against Ms. Quinn, harassing her with collections, knowing full well that it is seeking to enforce a loan induced by fraud. Vault's NOSI continues on Ms. Quinn's home title.

b. The Class

39. The plaintiff seeks to represent the following class:

All individuals who are or were at any time, directly or indirectly, party to a Loan Agreement with the defendant, Vault, through a Dealer intermediary for HVAC, pools and spas, windows and doors, water treatment, roofing and exteriors, home renovations, and similar goods and services.

c. The Defendant

40. Vault is a company incorporated pursuant to Ontario's *Business Corporations Act* on November 26, 2020, and operates typically using the name "VaultPay" from its headquarters in Toronto, Ontario.

41. The impugned Vault and VaultPay business appears to be carried out through an opaque web of companies and other entities, the exact roles of which are not in Ms. Quinn's knowledge.

42. The defendant, John Doe, is any entity or individual in addition to the named corporation

who is later discovered to own, direct, or enforce the Loan Agreements against the class. Ms. Quinn reserves all her rights to later add such person(s) as defendant(s).

E. VAULT'S BUSINESS

a. Vault's business model and relationship with Dealers

43. Vault's business model in the subject consumer market is to capitalize on its network of Dealers to reach consumers and convince them to enter into Loan Agreements.

44. Vault enters into similarly termed Program Agreements with Dealers, whereby the Dealers were and are permitted to provide financing arrangements directly on behalf of Vault to consumers. Vault enters into Program Agreements with Dealers specifically for the purpose of permitting Dealers to solicit and provide financing arrangements on its behalf directly to consumers in relation to Goods & Services Agreements. Dealers interact with consumers for their Goods & Services Agreements and also facilitate or execute the consumer's Loan Agreements with Vault.

45. Pursuant to the Program Agreements, Dealers are given unique login credentials for accessing Vault's digital lending platform, giving them real-time access to submit completed loan documents and view all applications that have been made, the status of such applications, the status of project completion for approved loans, and loans that have been funded. They are expressly appointed as agents of Vault for the purposes of verifying the consumer's identity, amongst other elements of the consumer transactions.

46. In the case of the plaintiff and every class member, Vault's Dealer process has resulted in a Loan Agreement. The plaintiff and every class member has a Loan Agreement with Vault. Vault is the source of the unlawful terms imposed on the class.

47. Pursuant to the Program Agreements, Vault pays the Dealer's invoice; (less, unbeknownst to consumers, undisclosed Fees payable to Vault and any fees related to promotional lending programs including programs whereby Dealers are able to offer deferred payments, equal payments, lower or no interest, interest rate buydowns, and/or a promotional interest rate), and consumers are on the hook for the loan principal; (plus any fees related to loan administration), interest, and penalties under the Loan Agreement. Through its Program Agreements, Vault takes on the lucrative role of a predatory loan shark company in disguise, and acquires a proprietary interest in the resulting Consumer Agreements.

48. Most of the time, the Dealer is the only representative of Vault that the consumer interacts with. The Dealer makes the representations and promises regarding the Loan Agreement to the consumer on Vault's behalf.

49. The Dealer's interests are aligned with Vault—the Dealer is incentivized to maximize the number of Loan Agreements at any cost and by any means, and make the improvident terms of the Loan Agreements maximally one-sided to the consumer's detriment and Vault's benefit; including by failing to disclose any additional Fees, amongst other things.

50. Dealers are Vault's agents and representatives:

- (a) At all material times, under the Program Agreements, the operations and business of the Dealers were subject to the direction, instruction, and approval of Vault;
- (b) The Program Agreements impose extensive obligations on Dealers, and in turn provide Vault with significant rights, ownership, control, and/or oversight over the assets and day-to-day business operations of Dealers; and

(c) Through these Program Agreements, Vault financed, owned, and controlled the origination and enforcement of the unlawful Consumer Agreements. The origination of the Consumer Agreements happens when Dealers directly induce class members to sign the Consumer Agreements. The Program Agreements in particular are agreements with Dealers to target class members and induce them to sign the unlawful Consumer Agreements. The financing aspect of this arrangement is crucial to the incentive Dealers have to induce class members into unlawful Consumer Agreements, as, without such financing, Dealers would not be paid for the work they do.

51. Both Vault and Dealers know, or ought to know, that the only way to originate the unlawful and one-sided Consumer Agreements is to deceive the consumer.

52. Dealers are fly-by-night shell companies designed to take advantage of consumers and disappear, while Vault remains to reap the benefits of the Consumer Agreements while pointing the finger at the Dealer.

53. Vault knew from the outset that the door-to-door HVAC and home renovation market was rife with fraud and elder abuse, including the extensive history of the impugned Dealers that Vault collaborates with. Vault knew or ought to have known that its Dealers were preying on consumers, acting unlawfully, and failing to comply with consumer protection legislation.

54. Vault has continued to enforce the Consumer Agreements against the class and benefit from its Dealers' ongoing unlawful acts against the class.

55. Vault wilfully turns a blind eye to the misconduct of the Dealers, just like it has ignored

the circumstances of Ms. Quinn's Loan Agreement.

b. The Loan Agreements

56. Even when no representative of Vault is present at the time that the Loan Agreements are entered into with the class, Vault contracts directly with the class members to extend credit for the Goods & Services Agreements. Vault has privity of contract with the plaintiff and each of the class members.

57. No class member entered into a Loan Agreement with Vault other than through the agency and intermediacy of one of its ~~door-to-door~~ Dealers. Each and every Loan Agreement lists the Dealer that initiated the consumer transaction and to whom the loaned funds will be directly advanced (less any Fees retained by Vault).

58. Neither the plaintiff nor the class members knew the improvident terms of the Consumer Agreements. In entering into the Loan Agreements, Vault and its Dealers collectively and systemically failed to disclose material information to consumers prior to entering into the agreements, including:

- (a) the true nature and onerous one-sided terms of the Loan Agreements;
- (b) that the zero or similar promotional interest rate promise was for a short time only and would be replaced by exorbitantly higher interest rates, and that this interest would be payable for many years with minimal amounts of the bi-weekly or monthly payments going toward the principal;

- (c) that the loan would be payable even if the promised goods or services were not provided or were deficient or defective, or if the service provider went out of business;
- (d) the class member's total liability under the Loan Agreements;
- (e) the true cost of borrowing and annual percentage rate, including the impact of Vault's Fees on each;
- ~~(e)~~(f) that the Dealers were fly-by-night and unable to deliver any long term equipment service and repair as promised, or the goods and services at all;
- ~~(f)~~(g) that the purported principal amount under the Loan Agreement would be well above the value of the goods and services or equipment provided; including because the "principal" included Fees, which are actually part of the cost of borrowing in substance and not paid to purchase the goods or services;
- ~~(g)~~(h) that the promises of government rebates, credit, ~~and savings,~~ or refunds by Dealers were systemically false and unachievable at all or as represented;
- ~~(h)~~(i) that Vault would register a NOSI against title to their home;
- ~~(i)~~(j) that there was a Program Agreement as between Vault and the Dealer; and
- ~~(j)~~(k) that if the class member defaulted on the Loan Agreement, then the entire outstanding principal and any accrued interest became immediately due upon Vault's demand.

59. Further, the Fees charged or retained by Vault would inflate the amount paid by class

members.

60. Where Vault has advanced credit to consumers through “promotional” lending programs, or where additional payments or charges were imposed on the Dealers and passed onto the consumers without disclosure of the same, such Fees represent a material portion of the total transaction cost. Even further, where such Fees are embedded into the principal of the consumer’s loan, such would be a falsely understated distortion of all of the cost of borrowing metrics to the consumer.

61. The effect of facts is to misrepresent the true cost of borrowing under the Loan Agreements, including the principal amount, interest rate, annual percentage rate, and total cost of borrowing, amongst others. This would allow Vault and its Dealers to market credit as more affordable or advantageous than it truly was.

62. Any Fees charged or retained by Vault as a condition of extending credit would constitute compensation to Vault for the advance of credit. Where such fees were added to the loan principal, consumers would be required to pay the fees over the life of the loan, together with interest.

63. These fees or charges were not disclosed to consumers in the Loan Agreements or reflected in the cost of borrowing disclosure required by the *Consumer Protection Act*. To the contrary, consumers were provided (or not provided) with agreements that understated or omitted such costs on their face.

64. The result is that the whole of the combined consumer and finance transaction is materially misrepresented to the consumer, all contrary to the mandatory disclosure system established under the *Consumer Protection Act*.

c. Vault's continued collection efforts

~~59.~~65. Until June 2024, these Consumer Agreements were enforced in Ontario by registering NOSIs against the home titles of consumers in order to extract unconscionable sums from them. Vault's NOSI on Ms. Quinn's home title is one such example.

~~60.~~66. The predatory use of NOSIs became so prevalent in the market that the Ontario government passed Bill 200, *The Homeowner Protection Act, 2024*.

~~61.~~67. This legislation banned the registration of NOSIs for consumer goods on the Land Registry and deems NOSIs for consumer goods currently registered against title to be expired as of June 5, 2024. Without this legislative change, Vault would have been able to continue their normal practice of registering such NOSIs on title to consumers' homes and using such registrations as leverage to pressure consumers to pay sums under the unconscionable Consumer Agreements.

~~62.~~68. Notwithstanding this change, Vault has kept the appointment of itself as a personal attorney without notice and also kept other purported grants of security over the goods and services contracted for in the Consumer Agreements in their standard-form Loan Agreements. However, Vault has now moved on to other avenues of coercing payment. In particular, Vault uses aggressive demand letters, collections, and threats of litigation, and litigation against helpless consumers to enforce the Consumer Agreements which it knows and has acknowledged as being deceitful, unlawful, and fraudulent.

~~63.~~69. Outside of Ontario, NOSIs remain an instrument of consumer extortion.

~~64.~~70. Vault sends threatening letters to class members, demanding payment of the entirety of the loans it purports to hold. As exemplified by the case of Ms. Quinn, these letters threaten class

members with legal action if they do not pay the thousands or tens of thousands of dollars remaining on the fraudulently obtained Loan Agreements within a few weeks.

~~65.71.~~ Vault's continued collection efforts, including its legal threats, have caused significant harm to class members, including financial hardship, emotional distress, and damage to their credit.

F. CAUSES OF ACTION

a. Breach of the Consumer Protection Act and its Regulations, and similar provisions of the Equivalent Consumer Protection Legislation

~~66.72.~~ Vault failed to comply with the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation. The Consumer Agreements are premised on breaches of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation.

~~67.73.~~ With respect to all Ontarian class members, Vault and its Ontario Dealers are located in Ontario and are each a "supplier" for the purposes of the *Consumer Protection Act*.

~~68.74.~~ The *Consumer Protection Act* explicitly defines "supplier" as including a person who is in the business of selling, leasing, trading in, or supplying goods or services, and includes an agent of the supplier and a person who holds themselves out to be a supplier or an agent of the supplier.

~~69.75.~~ In this case, Vault's Dealers are explicitly in the business of supplying goods and services directly through the Goods & Services Agreements.

~~70.~~76. Vault is also a supplier within the meaning of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation by way of:

- (a) its direct contracting with the plaintiff and class members for the Loan Agreements;
and/or
- (b) its agency relationship with the Dealers who transact with the class for the entirety of the Consumer Agreements.

~~71.~~77. Accordingly, Vault is a “supplier” under the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation.

~~72.~~78. The Consumer Agreements, including both the Loan Agreement and the Goods & Services Agreement, are “consumer agreements” for the purposes of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation.

~~73.~~79. The plaintiff and the other class members are “consumers” for the purposes of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation.

80. Vault was obliged to comply with the requirements for direct agreements and/or remote agreements (for the part of the Consumer Agreements under which the goods and services were transacted for and supplied), as well as the requirements for supplier credit agreements (for the parts of the Consumer Agreements under which financing was extended to finance the purchase).

i. The Substance of the Consumer Transactions

81. The entirety of the Consumer Agreement transaction is subject to the anti-avoidance provisions pursuant to section 3 of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation. Where there is an ambiguity in the language of the agreement, it is to be interpreted in favour of the consumer pursuant to section 11 of the *Consumer Protection Act*.

82. Vault structured the Consumer Agreements to misrepresent and to outwardly avoid making full and proper disclosure as required by the *Consumer Protection Act* and the Equivalent Consumer Protection Legislation, all in order to collect the bloated sums for the goods and services, any unconscionable Fees, and collect high rates of interest thereon. Vault structured the consumer transaction so that the Consumer Agreements give the false impression of compliance with the *Consumer Protection Act* and the Equivalent Consumer Protection Legislation.

83. Vault adds its undisclosed Fees to the principal amount of the loan, and thus incorporates the undisclosed amount into the finance structure of the Loan Agreement where it is made subject to payment by the consumer plus interest and cost of borrowing over the life of the loan.

84. Vault's false, misleading, deceptive and unconscionable representations in the Consumer Agreements and in the enforcement of the debt thereunder violate the purposes of the *Consumer Protection Act* and the Equivalent Consumer Protection Legislation in form and substance.

i.ii. The Consumer Agreements breach direct agreement provisions

74.85. Both the Goods & Services Agreements and the Loan Agreements with the class members are direct agreements within the meaning of the *Consumer Protection Act* and similar provisions

of the Equivalent Consumer Protection Legislation. In each case, these agreements were negotiated and entered into by the class members at their homes.

~~75.~~86. In particular, with respect to the Loan Agreements, the Program Agreements explicitly permitted Dealers to induce class members into entering such consumer transactions in order to allow Dealers to facilitate the agreement process within class members' homes. The very purpose of the Program Agreements was to permit Dealers to directly provide the Loan Agreements to consumers.

~~76.~~87. As such, the Goods & Services Agreements and the Loan Agreements are direct agreements within the meaning of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation.

~~77.~~88. Part IV of the *Consumer Protection Act* governs direct agreements. Section 42(1) of the *Consumer Protection Act* mandates that all direct agreements be made in accordance with requirements specified in regulations.

~~78.~~89. The General Regulation, O. Reg. 17/05, as well as the Requirements for Direct Agreements Subject to Section 43.1 of Act, O. Reg. 8/18 beginning in 2018, required at all material times that the supplier provide the consumer with an agreement setting out certain material information, including, but not limited to, a fair and accurate description of the prescribed good or service to be supplied, the total amount payable by the consumer under the agreement, all credit agreements as defined in Part VII of the *Consumer Protection Act* related to the agreement, and any other restrictions, limitations, and conditions that are imposed by the supplier with respect to the agreement, including the consumer's responsibilities under the agreement.

~~79.~~90. In respect of the Goods & Services Agreements, the Dealers systemically did not provide a true picture of the onerous terms that would be imposed on the class member, nor ~~an~~ a fair and accurate description of the goods or services to be provided. Vault knew or ought to have known that its Dealers failed to deliver or install the products in good working order or at all yet continued to provide financing to the Dealers in any case. Vault's entire business model is built upon the affected consumer not having a true picture of the improvident and onerous terms that awaits the consumer if they transact with Vault or its Dealers.

~~80.~~91. Further, neither Vault nor its Dealers at any point properly disclose that the goods and services to be provided by the Dealers are necessarily linked to Loan Agreements with Vault, or what the true terms of those Loan Agreements are. Such systemic failures ~~to disclose this~~ the key ~~aspect~~aspects of the ~~arrangement is~~ arrangements are an inaccurate description of the goods and services to be provided and a failure to disclose other restrictions, limitations and conditions that are imposed by the supplier.

92. Further, the Goods & Services Agreements used by the Dealers systemically and universally present the costs of goods and services as inflated all-in prices which conceals that a large portion of the purchase price consists of costs untethered from any "value" for equipment being received.

~~81.~~93. In respect of the Loan Agreements, the Loan Agreements do not disclose to class members that it is a service provided specifically under the Program Agreements that Vault has with Dealers nor the true terms imposed. Failure to disclose these particulars renders the description of this financing service inaccurate contrary to the requirements under the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation.

~~82.~~94. Class members are asked to sign on a phone or tablet without notice of what it is that they are signing. This is made possible by the Program Agreements wherein Vault gives its Dealers direct access to its online lending platform. In most cases such as Ms. Quinn's case, the class member does not receive a copy of a Loan Agreement unless they demand it later on.

~~83.~~95. Even if the consumer is able to see the fine print of the Loan Agreement when signing under the pressure of the moment at the door, the fine print on the small screen of a phone or tablet is not comprehensible to the average consumer. This is further aggravated by the Dealers' systemic misrepresentations and fraud campaign to have unsuspecting consumers enter these consumer transactions.

~~84.~~96. Under both Consumer Agreements, the total amount of the principal of the loan, all ~~fees~~Fees and penalties, the interest charged thereon, the costs associated with the impact on each individual's credit reputation, plus the non-delivery of promised government rebates and credit, constituted the total amount payable by the consumer.

~~85.~~97. Nowhere in the Consumer Agreement is this total liability disclosed to any of the class members.

~~86.~~98. Lastly, in its enforcement of the Loan Agreements, Vault explicitly does not disclose to class members that it will continue to enforce agreements even if those agreements are premised on fraud and breaches of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation.

~~87.~~99. Nowhere in the Consumer Agreement is it disclosed that any equipment or service provided is at an inflated cost of borrowing, is at a material markup, effectively building into the Loan

Agreement an inordinately high interest rate that no homeowner of sound mind would willingly enter into.

~~88.~~100.The arrangement created by Vault failed to disclose and continues to fail to disclose this information and other material information required under the governing regulations to the plaintiff and other class members.

~~89.~~101.This information was material and required disclosure under the regulations, and it was not known until the defendant began enforcing the unlawful ~~agreements~~ Consumer Agreements.

~~90.~~102.Any attempt by Vault to enforce or collect on the Loan Agreements is unlawful, given the statutory non-compliance and the failure to make the required disclosures both for the underlying Goods & Services Agreement upon which the Loan Agreements are premised and further for the Loan Agreements themselves.

ii.iii. The Consumer Agreements breached remote agreement provisions

~~91.~~103.~~If, alternatively and to the extent that~~ any of the Consumer Agreements do not meet the definition of a direct agreement because it was executed remotely, such Consumer Agreements with the class members are remote agreements within the meaning of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation.

~~92.~~104.Vault and its Dealers were required to comply with all statutory obligations applicable to such remote agreements.

~~93.~~105.Part IV of the *Consumer Protection Act* also governs remote agreements. Pursuant to section 45(1), before a consumer enters into a remote agreement, the supplier shall disclose the

prescribed information to the consumer and shall satisfy the prescribed requirements as set out in the general regulations. Section 45 of the *Consumer Protection Act* and section 38 of the *General Regulations*, O. Reg. 17/05 prohibits a supplier from entering into a remote agreement unless the consumer is given an express opportunity to accept or decline the agreement and to correct errors before being bound.

~~94.~~106. Further, the *General Regulations*, O. Reg. 17/05, required at all material times that the supplier provide the consumer with an agreement setting out certain material information, including, but not limited to, a fair and accurate description of the prescribed good or service to be supplied, the total amount payable by the consumer under the agreement, and any other restrictions, limitations, and conditions that are imposed by the supplier with respect to the agreement, including the consumer's responsibilities under the agreement.

~~95.~~107. The plaintiff repeats and relies on her pleadings above with respect to direct agreements, which equally apply to remote agreements, and were breached by Vault and its Consumer Agreements.

iii.iv. ~~Alternatively, the~~ The Loan Agreements breached credit agreement provisions

~~96.~~108. ~~If the Loan Agreements with Vault are found not to be direct agreements or remote agreements,~~ All of the Loan Agreements with the class members are “supplier credit agreements” within the meaning of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation.

~~97.~~109.In each case, these agreements were consumer agreements under which Vault extended credit or lent money to the class members through the Loan Agreements, as initiated by the Dealers through the Goods & Services Agreements.

~~98.~~110.The class members are “borrowers” within the meaning of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation, as parties to the ~~Financing~~Loan Agreements who purportedly received a loan of money from Vault, although neither plaintiff nor any class members actually received a loan from Vault: any and all funds went directly to Vault’s own Dealers, less any applicable Fees.

~~99.~~111.Vault is a “lender” and joint supplier of the Consumer Agreements within the meaning of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation, as a supplier which is party to the Loan Agreements and which purported to loan money to the class.

~~100.~~112._____Part VII of the *Consumer Protection Act*, and similar provisions of the Equivalent Consumer Protection Legislation, govern credit agreements. Section 77 of the *Consumer Protection Act* requires that no lender shall make representations or cause representations to be made with respect to a credit agreement, whether orally, in writing or in any other form, unless the representations comply with the prescribed requirements. That is, not only is there information that is statutorily mandated to be disclosed, but even further, no representations can be made in respect of credit agreements unless expressly in compliance with the requirements.

~~101.~~113._____Pursuant to section 79 of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation, every lender shall deliver an initial disclosure statement for a credit agreement to the borrower at or before the time that the credit agreement is

entered into. This initial disclosure statement shall disclose all brokerage fees and the prescribed information, which is provided under the general regulations of the statute, and includes the mandatory disclosure of certain material information.

~~102.114.~~_____ The prescribed information required to be disclosed includes, but is not limited to, the total cost of borrowing; details about the interest rate under the agreement including relating to whether or not it may change during the term of the agreement; for each element of the cost of borrowing, other than interest, the nature of the element and amount payable by the borrower; the outstanding principal balance as at the beginning of the term of the credit agreement; the total amount to be repaid under the agreement including all interest, fees, and other charges; and the rights and obligations of the parties upon default including acceleration. Any amount payable to process a payment must be included in the cost of borrowing, and no portion of the cost of borrowing shall be included in the principal balance at any time.

~~103.115.~~_____ Further, lenders are also required under section 80 of the *Consumer Protection Act* to provide continuing disclosure statements at least once every 12 months after entering into a fixed credit agreement with the prescribed information in the general regulations.

~~104.116.~~_____ The prescribed information that must be included in these statements includes, but is not limited to, details about changes to the interest rate (if any) and how such changes affect the timing and amount of any payment the borrower is obligated to make under the credit agreement.

~~105.117.~~_____ The Loan Agreements (and the Goods & Services Agreements) systemically failed to reach this minimum level of statutorily mandated disclosure. Amongst other things, they fail to accurately contain and disclose the following statutorily mandated information: (i) the principal; (ii) the cost of borrowing; (iii) the interest rate Payable by the borrower; (iii) for each element of

the cost of borrowing, other than interest, the nature of the element and the amount payable by the borrower; and (iv) the annual percentage rate, or “APR”. .

118. The disclosures are laid out to objectively deceive consumers of the true total cost of the Consumer Agreements, including through the misrepresentations set out in the following sections.

119. As a result, all Consumer Agreements are not binding on the Class pursuant to section 93(1) of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation.

120. The Consumer Agreements are universally in violation of sections 77 and 79 of the *Consumer Protection Act* and the Equivalent Consumer Protection Legislation.

~~106.~~121. Where, as here, such disclosure is not provided, pursuant to section 70 of the *Consumer Protection Act*, a borrower under a credit agreement, such as the Loan Agreements, is not liable to pay the lender the cost of borrowing under the credit agreement if no statements are received by the borrower, or any amount in excess of the amounts specified in the statements required to be delivered. This failure entitles the class to recovery of the entirety of the Fees and the interest charged thereon under the Consumer Agreements. The plaintiff seeks recovery of the full payment to which they are entitled by the section by virtue of section 100 of the *Consumer Protection Act* and the equivalent provisions of the Equivalent Consumer Protection Legislation.

122. Further or alternatively, by virtue of section 98 of the *Consumer Protection Act* and the Equivalent Consumer Protection Legislation, the plaintiff seeks recovery of all the payments received by Vault in contravention of the *Consumer Protection Act*.

~~107.~~123. Pursuant to sections 18(14) and 94 of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation, where consumers rescind or cancel an agreement, which the class members seek to do here in respect of the totality of the Consumer Agreements, but especially the Goods & Services Agreements, this operates to cancel all related credit agreements.

~~108.~~124. As such, by the Loan Agreements' direct relation to the Goods & Services Agreements, particularly solidified through the Program Agreements, the Loan Agreements must be necessarily cancelled.

~~iv.~~v. The Consumer Agreements are premised on unfair practices

~~109.~~125. Section 14 of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation prohibit unfair practices, and particularly false, misleading, or deceptive representations.

~~110.~~126. Such unfair practices include representations that misrepresent the authority of an agent to negotiate the final terms of an agreement, that a transaction involves or does not involve rights, remedies, or obligations, that specific price advantage exists if it does not, and the failure to state a material fact if such failure deceives or tends to deceive a consumer.

127. The Consumer Agreements uniformly and objectively suggest that the consumer has obtained a price advantage in the form of a reduced interest rate, deferred payments or an interest-free period. As outlined above, there is in fact no price advantage to this practice whatsoever.

~~111.~~128. Further, a consumer agreement where the price grossly exceeds the price at which similar goods or services are readily available to like consumers or where the terms of the

consumer transaction are so adverse to the consumer as to be inequitable constitutes unfair practices contrary to section 15 of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation.

~~112.~~129. Here, the Consumer Agreements' failure to disclose the material information particularized herein to the plaintiff and other class members constituted an unfair practice contrary to section 14 of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation.

~~113.~~130. Further, the grossly inflated amounts that the defendant commonly structured into loans under the Loan Agreements and the grossly adverse unilateral terms of the Consumer Agreements render them unconscionable contrary to section 15 of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation.

~~114.~~131. Vault knew, or ought to have known, the illegality of these Consumer Agreements under the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation. It is unconscionable to enforce or seek to enforce a debt knowing the consumer received no, or little, benefit from the substance of the transaction and in circumstances that Vault knew, or ought to have known, were obtained through unfair practices.

~~115.~~132. Vault took advantage of the inability of the class members to reasonably protect their own interests because of the gross information asymmetry between the contracting parties and class members' ignorance or inability to realize the character and nature of the Consumer Agreements.

~~116.~~133. Vault is liable as a supplier for these unfair practices. Alternatively, pursuant to section 18(12) of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation, Vault is jointly and severally liable for the unfair practices particularized above together with the Dealers who signed Consumer Agreements with the class members.

b. The Consumer Agreements are unconscionable and invalid

~~117.~~134. The Consumer Agreements are unconscionable and it would be inequitable in the circumstances to bind the class members to such agreements. The Consumer Agreements are extremely improvident bargains obtained under one-sided and abhorrent circumstances.

~~118.~~135. The class members were ordinary consumers, many of whom are vulnerable individuals who lacked legal or financial sophistication. Vault, by contrast, is a sophisticated lender that implemented the agreements through a controlled network of Dealers acting pursuant to standardized Program Agreements, which were never disclosed or available to consumers.

~~119.~~136. Class members were not given an opportunity to obtain independent legal or financial advice, nor any opportunity for meaningful review or to negotiate. They were, to the contrary, actively misled.

~~120.~~137. Rather, class members were presented with the one-sided documents by the Dealers and were required to sign them in order to obtain goods or services for their homes, under circumstances of artificially imposed time pressures, sales tactic pressures, and a substantially similar form of Goods & Services Agreement and Loan Agreement misrepresentations.

~~121.~~138. Class members were never advised that the Goods & Services Agreements were subject to Loan Agreements that involved long-term loans with material consequences for default,

or that the total loan amount significantly exceeded the fair market value of the products or services provided—if any such products or services were delivered at all.

~~122.~~139. Vault's business model relied on the delegation of consumer-facing responsibilities to its Dealers, while retaining centralized control through its digital platform, Program Agreements, and funding structure. Vault knew or ought to have known that the Dealers were incentivized to engage in breaches of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation, and target vulnerable consumers, but failed to intervene or modify its enforcement of the resulting agreements.

~~123.~~140. Moreover, and as pleaded above, Vault knowingly has continued to enforce Loan Agreements procured through misrepresentation, fraud, incomplete disclosures, and failures to provide functioning goods or services. It does so in order to benefit from the resulting financial obligations imposed on consumers.

~~124.~~141. The resulting Consumer Agreements are also particularly improvident and manifestly unfair for the following reasons:

- (a) the total amount payable under the Consumer Agreements grossly exceeds the value of the goods and services;
- (b) the interest rates and default provisions imposed significant risk and liability on consumers who had no opportunity to understand or mitigate them;
- (c) the entire consumer transaction, including both the Goods & Services Agreement, the Loan Agreements, and the underlying Program Agreements which consumers

were not made aware of, were structured in such a way that consumers had no real ability to walk away from the financing once initiated; and

- (d) Vault proceeded to enforce these agreements knowing that the goods and services from which they stemmed were often non-existent, defective, or otherwise problematic, and in every instance cost far in excess of the real value of any such good or service being provided.

~~125.~~142. The unconscionable nature of these transactions is further aggravated by Vault's systemic control over and knowledge of the Dealers' conduct, its decision to continue funding and enforcing such agreements, and its deliberate indifference to the legal and practical consequences for class members.

~~126.~~143. Based on the foregoing, the Consumer Agreements are unconscionable in law and equity, and are therefore void and unenforceable.

c. Vault conspired with each of its dealers

~~127.~~144. Vault has engaged in a hub-and-spoke conspiracy with its Dealers, acting against the class. The hub of the conspiracy is Vault. Its spokes are each of its Dealers.

i. Unlawful means conspiracy

~~128.~~145. Vault is jointly and severally liable for conspiracy along with its Dealers and any other co-conspirators unknown to the plaintiff at this time. Together, they engaged in unlawful conduct directed at the class, a significant portion of which included consumers in vulnerable positions who were preyed upon because of their vulnerability.

~~129.~~146._____ As part of the conspiracy, Vault and the Dealers:

- (a) dictated, authorized, or otherwise approved the terms of the Consumer Agreements which were in violation of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation, and unconscionable;
- (b) implemented a scheme of widespread and systematic non-disclosure of material information to class members; and
- (c) directed, encouraged, or otherwise authorized the improper enforcement of these agreements in order to compel class members to pay unconscionable sums.

~~130.~~147._____ As particularized above, by its own written Program Agreements, Vault played a material role that it exercised in the business of the Dealers as it related to the Consumer Agreements entered into with the class. Through its Program Agreements,- Vault conspired to implement the wrongful and unlawful conduct and harm against the class.

~~131.~~148._____ Vault has been the *sine qua non* of the plaintiff's and class members' plight. Without Vault's actions, none of the class members would find themselves in the circumstances giving rise to this action.

~~132.~~149._____ Vault has been instrumental in the development of the scheme used by it and the Dealers to extort unconscionable sums from the class members.

~~133.~~150._____ Further, Vault conspired with the Dealers to engage in unfair practices by effectively requiring, and directly engaging in, the impugned unlawful practices, while continuing

to finance, facilitate, encourage, direct, authorize, and condone the use of illegal Consumer Agreements for Vault's own benefit.

~~134.~~151. Vault's conduct was unlawful and contrary to the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation.

~~135.~~152. The defendant knew or ought to have known that the unlawful conduct would result in injury to the class. The intended lucrative injury to the class in fact motivated the impugned conspiratorial conduct against the class.

~~136.~~153. The class suffered harm and losses as a result of this conspiracy including, but not limited to, damages for financial loss, credit impairment, and mental distress.

ii. Predominant purpose conspiracy

~~137.~~154. Vault and its Dealers are jointly liable for predominant purpose conspiracy. They acted for the unlawful purpose of manipulating the subject consumer market for financial gain by:

- (a) exploiting vulnerable consumers by facilitating, coordinating, and authorizing the predatory sales tactics of the door-to-door Dealers;
- (b) failing to take steps to ensure that the obligations of the Dealers under the Program Agreements were fulfilled as required;
- (c) systemically failing to disclose, encouraging the non-disclosure of, and condoning the non-disclosure of material information to class members;

- (d) dictating, authorizing, and requiring the unlawful and unconscionable terms of the Consumer Agreements, the sole operative purpose of which has been to maximize Vault's gain which directly equals the class's loss; and
- (e) continuing to enforce unlawful Consumer Agreements notwithstanding knowledge that such agreements are contrary to the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation.

~~138.~~155. Vault knew or ought to have known that the impugned conduct would result in injury to the class. The intended injury to the class in fact motivated Vault's conspiratorial conduct against the class.

~~139.~~156. The class suffered harm and losses as a result of this conspiracy including, but not limited to, damages for financial loss, credit impairment, and mental distress.

d. Vault's common design with its Dealers

~~140.~~157. Vault engaged in a common design with its Dealers to maximize their unlawful profits through the Consumer Agreements at the expense of the class. As such, Vault is jointly and severally liable for the unlawful conduct if each of the Dealers that dealt with the class.

~~141.~~158. Vault assisted the Dealers in carrying out the unlawful conduct particularized herein against the class. Indeed, without Vault's assistance, none of the Dealers could or would have been incentivized to engage in any of the impugned conduct against the class.

~~142.~~159. Vault's common design with its Dealers—in part memorialized in the Program Agreements and/or any promotional programs, and in part built upon the practical realities of

needing to be unlawful to become as profitable as they wish—led to the Dealers’ conduct against the class.

~~143.~~160. Vault’s Program Agreements are premised on unlawful conduct in order to be financially rewarding to Vault and its Dealers. Without Vault’s common design with these Dealers, no consumer of rational mind would find the arrangement offered by the Dealers attractive. Consumers would not agree to be bound if they knew the true terms being imposed on them.

~~144.~~161. This common design is further evidenced by Vault’s knowledge for years that Dealers engage in anti-consumer fraud to make the Consumer Agreements profitable, and Vault’s turning a blind eye and continuing to profit off of the class.

e. Competition Act

194. Section 52 of the *Competition Act* prohibits knowingly or recklessly making misleading representations in order to promote a business interest. It is not necessary to prove that a person was deceived or misled to establish a breach of the section.

195. Vault has knowingly and intentionally structured the Consumer Agreements with the class members in a manner that is false and misleading in material respects. Specifically, the Consumer Agreements were designed to objectively deceive the class as to the total benefits derived from the transaction as a whole, including the value of the goods and services, cost of borrowing and APR specifically, all as outlined in the preceding sections.

196. Further, the Loan Agreement’s misrepresentation of the principal, cost of borrowing and APR are affirmative representations made expressly, and in a standard manner, to every class

member. The Loan Agreements are false and misleading in a material respect because they create the general impression that the cost of borrowing is substantially and materially lower than its true cost, and that the APR is substantially lower when that is materially false.

197. Vault's misrepresentations and omissions caused the class members to enter into the Consumer Agreements and pay the grossly inflated goods and services, illegal Fees, principal, charges and interest.

162. In addition to all other remedies available at law, the plaintiff pleads entitlement to damages and costs of investigation and prosecution pursuant to section 36 of the *Competition Act*. Without limitation, the plaintiff pleads that the defendant obtained unlawful revenues from the dissemination of its Consumer Agreements containing the false and misleading misrepresentations as alleged herein.

f. Unjust Enrichment

163. The defendant has been unjustly enriched to the extent that it collected and retained: (i) loan proceeds exceeding the value of the goods and services supplied; and (ii) the unlawful Fees, plus interest accrued thereon, all as alleged herein.

164. The defendant's enrichment represents a corresponding deprivation to the class members as a whole.

165. The enrichment of the defendant arises solely by the contravention of applicable law as set out herein. There is therefore no juristic reason for the defendant's enrichment.

166. In addition to all other remedies, the plaintiff pleads entitlement to damages and restitution at common law.

G. REMEDIES

a. Damages, rescission, declaratory relief

~~145.~~167. As a result of the conduct pleaded above, the plaintiff and the other class members have suffered loss and damage in an amount to be determined at trial.

~~146.~~168. The Consumer Agreements must be rescinded or cancelled in their entirety pursuant to the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation.

~~147.~~169. Alternatively, class members are entitled to a declaration that the Goods & Services Agreements and Loan Agreements are not binding on them, and to restitution of all payments made under the agreements.

~~148.~~170. Class members seek damages (in lieu of rescission) for breaches of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation, including, but not limited to, damages for the value by which the loan exceeds the value of the goods and services supplied, illegal Fees that the defendant charged the class members, any amount in excess of the amounts specified in the Consumer Agreements that the defendant was obliged to disclose to the consumers as part of the cost of borrowing, financial loss, amounts paid, credit impairment, and mental distress, and any other remedy this Honourable Court deems just.

The class members claim any gains earned on these amounts and an equitable rate of interest thereon.

~~149.~~171. Further, pursuant to sections 18(14) and 94-95 of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation, where consumers rescind or cancel an agreement, which the class members seek to do here in respect of all of the Consumer Agreements, such rescission or cancellation operates to cancel all related credit agreements. As such, by the direct relation between the Loan Agreements and the Goods & Services Agreements as solidified through the Program Agreements, rescission or cancellation of either the Goods & Services Agreements or the Loan Agreements must necessarily result in the cancellation of the other.

172. Further, as the practices of the defendant did not comply with the prescribed requirements of the *Consumer Protection Act* and the Equivalent Consumer Protection Legislation, the plaintiff pleads and relies on the remedies provided for pursuant to sections 93, 98 and 100 of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation, which entitle the class members to refunds of or relief from liability of all Fees and interest charged to them in respect of their Consumer Agreements. The class members claim any gains earned on these amounts and an equitable rate of interest thereon.

~~150.~~173. It is in the interests of justice to waive any notice requirements under the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation, particularly as the defendant concealed the actual state of affairs from the class members for their own benefit.

~~151.~~174. Further, the plaintiff and the other class members seek damages at common law for, amongst other things, the amounts by which the class members' payment under the Consumer Agreements exceed the value that the goods or services have to the class members, damages to the credit reputation of class members as a result of having been misled to enter into these unconscionable loans, and all of their out of pocket and inconvenience damages.

~~152.~~175. In the alternative to damages, the plaintiff and the other class members claim the remedy of disgorgement of the profits generated by Vault as a result of the wrongful conduct particularized herein. Disgorgement is appropriate for the following reasons, among others:

- (a) Vault made profits as a result of the breaches of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation and their conspiracy to defraud the class, and its common design;
- (b) Vault made profits in such a manner that Vault cannot in good conscience retain it;
- (c) the integrity of the marketplace would be undermined if Vault were to profit from the wrongful conduct;
- (d) absent the wrongful conduct, class members would not have entered into the Consumer Agreements, and Vault would never have received profits arising from the Consumer Agreements; and
- (e) disgorgement of profits retained by Vault would serve a compensatory purpose.

176. Further, the defendant's actions caused the plaintiff and the Class Members to pay: (i) for goods and services from which the class derived no value; and (ii) the Fees, plus interest charges

thereon to the defendant. Section 36 of the *Competition Act* entitles the plaintiff and the class to damages, being those sums collected by the defendant pursuant to the illegal charges and Fees, and the associated costs of investigating their losses.

177. All amounts payable to the class on account of damages, restitution and disgorgement should be calculated on an aggregate basis pursuant to section 24 of the *Class Proceedings Act*, or otherwise.

b. Interlocutory and permanent injunction

~~153.~~178. As particularized above, the impugned conduct is ongoing. Vault continues to enforce Loan Agreements which it knows or ought to have known were premised on fraud and breaches of the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection Legislation. In many cases, this has included reporting class member's delinquencies and non payments to credit agencies.

~~154.~~179. The impugned conduct is causing irreparable harm to the class. Vault should be enjoined from engaging in the impugned conduct until the resolution of this action on its merits.

~~155.~~180. Further, Vault should be permanently enjoined from engaging in the conduct particularized herein.

~~156.~~181. Vault's conduct, and in particular Vault's ability to continue to enter into further Program Agreements with Dealers which condone the same conduct, its aggressive collections tactics, and the propagation of unfair and predatory practices in this market is sufficiently likely to occur or recur in the future. As such, it is not only appropriate, but necessary, for the Court to exercise its equitable jurisdiction to grant an injunction.

~~157.~~182. In the context of the consumer market at issue, no alternative will provide reasonably sufficient protection against the threat of the continued occurrence of the impugned wrongdoing. Absent an injunction, nothing stops Vault from continuing to partner with predatory door-to-door companies to repeat the same conduct at issue in this action.

c. Restitution for unjust enrichment

~~194.~~198. Vault has been unjustly enriched to the extent that it has charged and retained unlawful fees, interest, and other amounts under the Consumer Agreements. Vault is required to make restitution to the plaintiff and the other class members for the entirety of the value by which the loan exceeds the value of the goods and services actually supplied by a Dealer, plus interest collected thereon, because among other reasons:

(a) ~~The~~ the defendant was unjustly enriched by: (i) the receipt of the loan payments for goods and services supplied by Dealers from which the consumer derived no value, including by receipt of any Fees and interest therefrom;

~~(a)(b)~~ the class members suffered a deprivation corresponding to Vault's enrichment, such as by paying for the full value of the Consumer Agreements despite not receiving the value of the goods and services contracted for, and the value of said agreements being inflated by (among other factors) the Fees;

(c) ~~The~~ the Consumer Agreements being unenforceable, there is no juristic reason for the defendant's enrichment and the class members' corresponding deprivation;

(d) alternatively, Vault engaged in inappropriate conduct and committed wrongful acts by engaging in the misrepresentations alleged herein;

(e) the loan principal and interest collected thereon were acquired in such circumstances that Vault may not in good conscience retain it;

(f) justice and good conscience require restitution;

(g) the integrity of the marketplace would be undermined if the court did not order restitution; and

~~(h)~~(h) there are no factors that would render restitution unjust.

~~158.~~183. Accordingly, the class members are entitled to restitution.

~~159.~~184. In particular, Vault's conduct amounts to an unjust enrichment at the expense of the class. By continuing to demand and, in some cases, collect payments under unlawful and void agreements, Vault has received and retained benefits to which it was never legally entitled. The class seeks restitution and a declaration that all amounts collected by Vault under these illegal agreements be returned.

d. Punitive damages

~~160.~~185. Due to the egregious nature of Vault's conduct, the plaintiff and other class members are entitled to recover aggravated, punitive, and exemplary damages.

~~161.~~186. The wrongful conduct particularized here was willful, deliberate, high-handed, outrageous, callous, and in contemptuous disregard of consumer rights and interests.

~~162.~~187. Vault has callously taken advantage of consumers' vulnerabilities to trap consumers in a scheme that threatened to deprive them of their homes.

~~163.~~188. Further, the plaintiff and the other class members are entitled to punitive damages under the *Consumer Protection Act* and similar provisions of the Equivalent Consumer Protection

Legislation, and at common law to relieve the defendant of their wrongful profits made while flouting the law.

e. Relief from Debt

189. The plaintiff requests forgiveness of all outstanding amounts alleged to be owing on account of the unlawful misrepresentations, unconscionable practices, and unlawful Fees and other amounts charged by the defendant. The illegal business practices of the defendant have resulted in unconscionable charges to the class members which are prohibited by law and therefore must be cancelled.

f. An Equitable Accounting

190. The plaintiff requests an accounting for all of the unlawful principal, Fees, interest, and other amounts collected, as well as any interest earned thereon and debt which must be forgiven by the defendant on account of the class members during the class period.

g. Plan of Distribution

191. Such damages ought to be held in a litigation trust and distributed pursuant to a plan of distribution under sections 25 and 26 of the *Class Proceedings Act*.

192. Alternatively, if so elected, the unpaid remuneration and any gains made thereon should be calculated on an aggregate basis or otherwise should be held in a litigation trust and distributed pursuant to a plan of distribution under sections 25 and 26 of the *Class Proceedings Act*.

h. Conspicuous Notice Plan

193. The plaintiff requests the creation of a conspicuous and comprehensive notice program affording notice to the class members of the illegality of the Consumer Agreements, Fees, interest, and other amounts paid by them, as well as the amounts owing to them by the defendant pursuant to section 19 of the *Class Proceedings Act*.

H. FRAUDULENT CONCEALMENT

~~164.~~194. Vault and its Dealers willfully concealed the unlawfulness of the Consumer Agreements from the plaintiff and the other class members, who plead and rely on the doctrine of fraudulent concealment to assert that any applicable statute of limitation has been tolled by the defendant's knowledge, concealment, and denial of facts which prevented the class from discovering their cause of action.

~~165.~~195. Vault continues to actively conceal the identity of the companies, other than the ones presently known and listed herein, that it has used in its "network" of Dealers to perpetuate its scheme of entering into and enforcing unlawful Consumer Agreements.

~~195.~~199. In addition, the plaintiff and the class could not reasonably have known that loss or damage had occurred, that it was caused or contributed to by acts of the defendant, or that a court proceeding would be an appropriate means to seek to remedy the injury until this action was filed. Specifically, all materials related to Vault's relationship with its Dealers, including any promotional arrangements and the Fees deducted by Vault were strictly "confidential" and available only as between the Defendant and its Dealers.

196. Any applicable statute of limitation and/or notice requirement under the *Consumer Protection Act* or similar provisions of the Equivalent Consumer Protection Legislation have been tolled by the defendant's knowledge, concealment, and denial of the alleged facts, which prevented the plaintiff and the class members from discovering their causes of action. Alternatively, the waiver of notice under the *Consumer Protection Act* and the Equivalent Consumer Protection Legislation should be given having regard to the concealment as alleged herein.

~~166,~~197. As such, the plaintiff and the class plead and rely on the *Limitations Act, 2002*, S.O. 2002, c. 24, Sched B, section 5, and on the doctrines of postponement and discoverability to postpone the running of the limitation period until the date on which this action is commenced.

198. The plaintiff and the class also plead and rely on the *Reopening Ontario (A Flexible Response to COVID-19) Act, 2020*, S.O. 2020, c. 17, O. Reg. 73/20 to suspend the running of the limitation period from March 16, 2020, to September 13, 2020.

I. STATUTES RELIED UPON

199. The plaintiff also pleads and relies upon the *Class Proceedings Act, 1992*, S.O. 1992, c. 6, the *Consumer Protection Act, 2002*, S.O. 2002, c. 30, Sched. A, *Consumer Protection Act, RSA 2000*, c C-26.3; *Business Practices and Consumer Protection Act, SBC 2004*; *The Business Practices Act, CCSM* c B120; *Consumer Protection and Business Practices Act, SNL 2009*, c C-31.1; *Business Practices Act, RSPEI 1988*, c B-7; and *The Consumer Protection and Business Practices Act, SS 2013*, c C-30.2, c. C-46, the *Courts of Justice Act, R.S.O. 1990*, c. C.43, and the *Limitations Act, 2002*, S.O. 2002 c.24, Sched. B, each as amended.

April 15, 2025, amended August 25, 2025.

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Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Windsor

Proceeding under the *Class Proceedings Act, 1992*

AMENDED STATEMENT OF CLAIM

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