

CITATION: Pavlioglu et al. v. FinanceIt Canada Inc.;
Quinn v. Vault Home Credit Corporation, 2026 ONSC 1416
COURT FILE NO.: CV-25-00034752-00CP and CV-25-00034796-00CP
DATE: 20260309

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:)	
)	
)	
Vasile Pavlioglu and Abram Braun)	J. Foreman, M. Seddigh and B. Pascutto, for
Plaintiffs)	the Plaintiffs
– and –)	
)	
FinanceIt Canada Inc.)	M. Rosenberg and H. Kallmeyer, for the
Defendant)	Defendant
)	
)	
AND BETWEEN:)	
)	
Dianne Leona Quinn)	M. Seddigh and B. Pascutto, for the Plaintiff
Plaintiff)	
-and-)	
)	
Vault Home Credit Corporation)	P. E. Veel, for the Defendant
Defendant)	
)	Heard: January 9, 2026
)	

REASONS FOR DECISION

KALAJDZIC J.:

[1] The proposed class proceedings relate to consumer loans by the defendant corporations. The loans are primarily associated with HVAC and home improvement purchases. The plaintiffs allege that the defendants engaged in unlawful business practices that misled consumers into signing agreements in breach of consumer protection legislation, and that the loan agreements, therefore, are invalid and unenforceable. The two actions are being case managed together, and the certification motions are scheduled for three days in October 2026.

- [2] The defendants have commenced lawsuits, primarily in Small Claims Court, against potential class members to enforce the loan agreements where there has been a default. Some potential class members have also themselves commenced litigation against the defendants to terminate the agreements. Collectively, these lawsuits are referred to as “Related Proceedings”. The best evidence to date is that there are several hundred Related Proceedings.
- [3] The plaintiffs seek temporary stays of the Related Proceedings pending the final disposition of the class actions, subject to the potential class members’ opt-out rights. They seek this relief to avoid a multiplicity of proceedings and the potential prejudice to consumers that they say would result from having to defend against or to advance the Related Proceedings on their own against better resourced defendants.
- [4] The defendants submit that the plaintiffs do not have standing to seek a stay, and that to succeed, the plaintiffs must meet the test for an interlocutory injunction set out in *RJR - MacDonald Inc. v. Canada (Attorney General)*, [1994] 1 S.C.R. 311. Further, the defendants argue that an indefinite stay of all litigation involving defaulting borrowers would significantly prejudice the defendants. As a result, they argue the plaintiffs cannot meet either the traditional test for a stay or the criteria for an interlocutory injunction.
- [5] All parties agree that the relief sought is unprecedented in class proceedings. No court, prior to certification, has stayed an indeterminate number of present and future individual actions commenced by or against potential class members. Unlike most stay applications brought under the *Class Proceedings Act, 1992*, S.O. 1992, c. 6 (“CPA”), this is not a case where the defendants ask to stay parallel individual actions brought against them, or where the plaintiffs ask to stay overlapping class actions.
- [6] For the reasons that follow, I find that:
- a. the plaintiffs have standing to bring this motion;
 - b. the test to be met is the three-part test developed under s. 13 of the CPA, not the test under *RJR-MacDonald*; and
 - c. the plaintiffs have not satisfied me that a stay of all Related Proceedings should be granted. The plaintiffs have not shown a substantial overlap between the proposed class proceeding and the Related Proceedings. Based on the uncontradicted evidence that a blanket stay would “devastate” the defendants’ businesses, the stays would also result in an injustice.
- [7] I accept that the plaintiffs’ intentions are laudable. They are rightly concerned that some potential class members may be outmatched by sophisticated corporate defendants. The challenges faced by unrepresented litigants are not unique to the proposed class, however, and do not justify staying litigation brought against them, let alone staying the actions they have brought against the defendants.

[8] The consumers that the plaintiffs propose to represent are not yet members of a class. But, as FinanceIt has acknowledged, these consumers should know about the proposed class proceeding before they settle any litigation or collection accounts with the defendants. The same principle of transparency dictates that the defendants disclose the existence of the class action, well before any settlement is negotiated, so that consumers may determine whether to seek a stay within their individual Related Proceeding. As this point was not raised at the hearing, I ask that the parties make submissions on the contents of the communication to be made to the potential class members involved in the Related Proceedings.

A. Litigation Background

[9] On April 7, 2025, Vasile Pavlioglu and Abram Braun commenced a proposed class action against FinanceIt Canada Inc. A week later, Dianne Quinn commenced a similar proceeding against Vault Home Credit Corporation. In both proceedings, the plaintiffs seek to represent a class of consumers defined as:

All individuals who are or were at any time, directly or indirectly, party to a Loan Agreement with the defendant [FinanceIt or 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.

[10] Among other remedies, the plaintiffs seek rescission of agreements, restitution of all payments made under the agreements, and damages for the amounts by which the class members' payment under the agreements exceed the value of the goods and services provided to the class members. They also seek an interlocutory and permanent injunction prohibiting enforcement of the agreements, including the reporting of class members' delinquencies to credit agencies.

[11] The actions revolve around the defendants' loan agreements and their business model. Both defendants are consumer lenders that partner with a network of door-to-door and similar dealers who sell HVAC or other home improvements products and services. The defendants enter into loan agreements with the consumers, but the product or service being financed is sold by the dealer. Pursuant to the loan agreements, the defendants disclaim any liability for the quality of the goods or services sold by the dealers, and the consumers remain liable for the loan even if not satisfied with the dealer's goods and services. The entire transaction is completed at the consumer's door.

[12] The plaintiffs allege that the defendants' dealer-based financing programs violate consumer protection law and result in loan agreements that are unconscionable. Although statements of defence have not yet been filed in the class actions, in some of the Related Proceedings the defendants assert that consumer protection legislation does not apply to the loan agreements. Their position in all Related Proceedings is that the loan agreements are valid and enforceable.

- [13] The defendant Vault estimates that it has more than 6000 active consumer loans. As of September 26, 2025, it had commenced 78 actions against potential class members in Ontario. FinanceIt has filed “hundreds” of enforcement actions and is a defending party to dozens of actions in Ontario.
- [14] It is undisputed that some dealers engaged in fraudulent activities, including fraudulent misrepresentations to consumers, resulting in consumers not getting products that they contracted for. The defendants have pursued or are currently pursuing some of these dealers in litigation. The defendants deny that they are enforcing loans against consumers who obtained loans through these dealers.
- [15] The proposed representative plaintiffs did not personally swear affidavits in support of the motion. Seven proposed class members or their litigation guardians did provide affidavit evidence attesting to their experiences with the defendants and the dealers. Six are parties to Related Proceedings. Of the six enforcement actions in the record, four affiants tendered defences. All testified that they wanted their legal disputes to be resolved through the class actions.

B. Parties to the Motion

- [16] Plaintiffs’ counsel attempted to obtain a list of all Related Proceedings by searching court records. They were able to identify dozens of court files by searching the Justice Services Online portal and by contacting the registrars of specific courthouses. In addition, several proposed class members involved in the Related Proceedings contacted plaintiffs’ counsel directly.
- [17] Like plaintiffs’ counsel, I am not confident that they have a comprehensive list of all litigation in the province in both the Superior Court and the Small Claims Court. Accurate and detailed court file information is simply not accessible online or otherwise in our province. The Law Commission of Ontario came to the same conclusion in *Class Actions: Objectives, Experiences and Reforms: Final Report* (Toronto: July 2019) at p. 113.
- [18] As a result of their difficulties in identifying all Related Proceedings, in addition to the stay orders, the plaintiffs sought to compel the defendants to produce a list of all class members engaged in Related Proceedings. Alternatively, they sought an order for inspection of the defendants’ files so that the plaintiffs could create such a list.
- [19] The defendants stated that they did not have a comprehensive list of litigation. FinanceIt’s Chief Operating Officer testified that the company uses different external counsel for litigation with its customers and it does not aggregate data. According to the defendants, therefore, the plaintiffs were effectively engaging in pre-certification discovery by seeking to compel the defendants to review their files to identify members of the potential class.
- [20] Moreover, the defendants submitted that serving potential class members with the stay motion, thereby according them responding party status, would create significant

logistical difficulties in terms of the scheduling and length of the motion. The hearing date would be in jeopardy.

- [21] I did not decide the plaintiffs' request in advance of the hearing of the stay motion. The parties were content to proceed with the arguments on the merits of stay without the service list. In any event, I agree with the defendants that requiring hundreds of class members involved in Related Proceedings to be served with the stay motion would not be an efficient manner of proceeding. Responding parties to the motion would have the right to file materials and make submissions. If unable to attend on the scheduled motion date, they would be entitled to seek an adjournment. Ironically, such logistical hurdles are the very reason representative litigation is necessary.
- [22] At a case conference, the plaintiffs suggested an alternative whereby potential class members would have a choice between opting into the stay or continuing their individual actions if a stay were issued. As I have decided not to grant the stay, I need not decide whether an opt-in process is appropriate.

C. Issues

- [23] This motion raises the following issues:
- a. Do the plaintiffs have standing to bring this motion?
 - b. What is the test for obtaining a stay of the Related Proceedings?
 - c. Should the court issue a stay of all present and future Related Proceedings pending the outcome of the two class actions?

D. Analysis

Issue (a): Do the Plaintiffs Have Standing?

- [24] FinanceIt argues that the plaintiffs lack standing to bring the stay motion because the plaintiffs do not allege that there will be any prejudice to *their* actions if the stay is not granted. The motion is based on advancing the purported interests of the potential class members, who are "strangers" to the action at this stage.
- [25] I would not give effect to this argument for two reasons.
- [26] First, the statutory scheme does not support the defendant's argument. Section 13 of the CPA provides that the court, on the motion of a party or class member, or on its own initiative, "may stay any proceeding related to the proceeding under this Act before it, on such terms as it considers appropriate."
- [27] Section 1(3) of the CPA defines "party" and "class member" as a person who would, if the action were certified as a class proceeding, be a representative plaintiff or class member. The moving plaintiffs are both "parties" and "class members" for the purposes of s. 13.

- [28] There is no requirement that the plaintiffs themselves be parties to a Related Proceeding to bring the stay motion. Each plaintiff is a “party” as contemplated in s. 13.
- [29] Second, class action jurisprudence does not treat proposed class members as “strangers” to the litigation. Although there may not be a lawyer-and-client relationship between a proposed class member and the representative plaintiffs’ lawyers before certification, “there is a *sui generis* relationship between lawyer and potential class members or at least some responsibilities imposed on the lawyer acting for the representative plaintiff that are owed to the potential class members”: *Lundy v. VIA Rail Canada Inc.*, 2012 ONSC 4152, 111 O.R. (3d) 628, at para. 31; *Fantl v. Transamerica Life Canada*, 2008 CanLII 17304 (Ont. S.C.), at paras. 73-80, aff’d 2008 CanLII 63563 (Div. Ct.), aff’d 2009 ONCA 377, 95 O.R. (3d) 767.
- [30] Various other features of the class action regime confirm that potential class members are not strangers to the litigation, even if they are technically never parties to the litigation, even after certification: *Dabbs v. Sun Life Assurance Co. of Canada* (1999), 41 O.R. (3d) 97 (C.A.), leave to appeal refused [1998] S.C.C.A. No. 372. For example, the court’s supervisory jurisdiction extends to pre- and post-certification class members: *Fantl*, at paras. 59-60. Potential class members benefit from the suspension of the limitation period triggered by the commencement of the action (CPA, s. 28). The court may impose conditions on the defendant’s communications with proposed class members, including when defendants attempt to convince them to act adversely to their interests: *Vitelli v. Villa Giardino Homes Ltd.*, 54 O.R. (3d) 334 (Ont. S.C.), at para. 19; *Lundy*, at para. 38. It is therefore inaccurate to say that pre-certification class members are strangers to the action.
- [31] While potential members do not enjoy the same status as named plaintiffs or post-certification class members, it does not follow that they should be treated as if they were any other non-party. The plaintiffs have not commenced two individual actions, in which everyone but the named litigants are non-parties. Rather, they have commenced two intended class proceedings under the CPA on behalf of people similarly situated, claiming relief in respect of a common wrong: *Logan v. Canada (Minister of Health)* (2004), 71 O.R. (3d) 451 (C.A.), at para. 23. In that role, the plaintiffs seek to stay Related Proceedings involving potential class members because of the alleged overlap between the class actions and the Related Proceedings, the potential for inconsistent judgments, and the risk of injustice to potential class members. These are all considerations sufficiently connected to the integrity of the within class actions to confer standing.

Issue (b): What is the Test for Obtaining a Stay of the Related Proceedings?

- [32] The plaintiffs submit that the usual test for a stay under s. 13 of the CPA applies to this motion. As previously noted, s. 13 gives the court a broad authority, on its own initiative or on the motion of a party or class member, to “stay any proceeding related to” the proposed class action.
- [33] The defendants submit that the standard pre-certification test does not apply in the circumstances at bar. Ordinarily, stay motions are brought where there are two competing class actions against a single defendant, or where individual class members have brought

claims *against* a class action defendant for matters at issue in the class action. Because the plaintiffs seek to stay actions *by* the defendants against potential class members, Vault argues that the ordinary test for a pre-certification stay cannot apply. Instead, the defendants submit that the plaintiffs must meet the *RJR-MacDonald* test for an interlocutory injunction.

[34] The parties agree that no court has previously been asked to stay individual actions brought by class action defendants against potential class members. Courts have been asked to stay:

- Individual actions against class action defendants, at the request of the defendants: see eg. *Carter v. LifeLabs et al*, 2020 ONSC 7340.
- Individual actions against class action defendants, at the request of the proposed representative plaintiff: *Durling v. Sunrise Propane Energy Group Inc*, 2011 ONSC 266.
- Other proposed, overlapping class actions, at the request of the proposed representative plaintiff: see eg. *Mancinelli v. Barrick Gold Corporation*, 2016 ONCA 571, 131 O.R. (3d) 497, leave to appeal refused, 2021 CanLII 66411 (SCC). (Section 13.1 of the CPA now presumes that a representative plaintiff shall bring a motion to stay another proposed class action involving the same or similar subject matter and some or all of the same class members.)

[35] In all of the above situations, courts applied the test for stay developed pursuant to s. 13 of the CPA, not the general test for an interlocutory injunction.

[36] That no court to date has been asked to stay individual actions by defendants against proposed class members does not mean that the usual test for a stay under s. 13 should not apply. The test has been applied in a variety of contexts. As Glustein J. stated at para. 131 in *Workman Optometry v. Aviva Insurance*, 2021 ONSC 3843, 156 O.R. (3d) 793, “[a] judge case managing a class action has the jurisdiction to order a temporary stay of an individual action pursuant to s. 13 of the CPA, s. 106 of the *Courts of Justice Act*, R.S.O. 1990, c. C. 43, and Rule 6 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, without a motion for a stay being filed in the individual action” [case citations omitted]. There is no qualifying language in s. 13 as to the type of individual action sought to be stayed.

[37] Vault submits that the s. 13 jurisprudence was developed in the context of ‘genuinely duplicative litigation’, and that is not the case as between the Related Proceedings and the class actions. This submission, however, confuses the question of which test applies with the outcome of the test once applied. Whether the Related Proceedings are sufficiently duplicative is a factor to be considered when applying the s. 13 test; it is not a precondition for using the test.

[38] Moreover, the defendants could not point to any case in Ontario where the *RJR-MacDonald* test was used in a class action to determine a stay of proceedings. The *RJR-MacDonald* framework “should not be blindly extended beyond its context”: *Hamm v.*

Canada (Attorney General), 2021 ABCA 329, 32 Alta. L.R. (7th) 213, at para. 10, leave to appeal refused, 2022 CanLII 23897 (SCC); *Herold v. Wassermann*, 2022 SKCA 103, 473 D.L.R. (4th) 281, at para. 50. Even in jurisdictions like Saskatchewan, where the stay provision in the class action statute only applies after the class action has been certified, the *RJR-MacDonald* test has been modified to account for the particular context of an intended class action: *Wasserman*, at para. 59. Specifically, the first factor in the *RJR-MacDonald* framework – the strength of the applicant’s case – has no bearing on the question of whether overlapping actions can proceed simultaneously.

[39] I find that there is no reason to depart from the well-established test for a stay that has been developed in the specific context of Ontario’s class action regime. It is a basic principle of statutory interpretation that the more specific statute applies over the general: *Ingram v. Kulynych Estate*, 2024 ONCA 678, 501 D.L.R. (4th) 491, at para. 55; *R. v. Greenwood* (1992), 7 O.R. (3d) 1, at paras. 17-20. Because the CPA specifically addresses the issue of a stay of proceedings, there is no need to default to the general test under the *Courts of Justice Act* or at common law.

Issue (c): Have the Plaintiffs Met the Test for a Stay?

[40] Actions parallel to a class action can be stayed prior to certification if:

- a. there is a substantial overlap in the issues between the proceedings;
- b. the cases share the same factual background;
- c. issuing a temporary stay will prevent unnecessary and costly duplication of judicial and legal resources; and
- d. the temporary stay will not result in injustice to the party resisting the stay.

See *Workman Optometry*, at para. 13; *Singh v. RBC Insurance Agency Ltd.*, 2020 ONSC 5368, at para. 131, leave to appeal refused, 2021 ONSC 3881 (Div. Ct.).

[41] The defendants submit that none of the criteria for a stay are met.

a. Substantial Overlap with Other Proceedings

[42] Unlike all other stay decisions, the plaintiffs are not seeking to stay actions that are determinate in number or specific as to identity. They have not put forward a list of actions that they say meet the four criteria for a stay. Rather, they make the general submission that all present and future actions between proposed class members and the defendants share a common element: the actions concern the enforceability of the loan agreements. The plaintiffs’ central claim in the class actions is that the agreements are unlawful, and that class members are entitled to rescission or damages.

[43] The plaintiffs have provided copies of several enforcement actions to illustrate the overlap between the Related Proceedings and the class actions. They also rely on

statements made by the defendants' representatives under cross-examination that all Related Proceedings fundamentally concern whether the defendants get paid under the loan agreements.

- [44] The defendants argue that any overlap exists only at the most general level. The individual actions do not allege the same causes of action. While some of the actions prosecuted by class members raise issues within consumer protection legislation, most of the Related Proceedings do not. As Mr. Foreman himself submitted, it is only in the class actions that the defendants' entire business model is challenged. In contrast, individual litigants focus on (a) whether they signed the loan agreements or lacked capacity at the time of signing, (b) that they did not obtain the goods and services contracted for, or (c) that they are paying more interest than they bargained for. Moreover, the standard loan agreement changed over time.
- [45] No doubt these same arguments about individual issues will be revisited at the certification motion. For the purposes of the stay criterion, I need only consider whether there is "substantial overlap" of issues between the class actions and the Related Proceedings. This task is made more difficult because, unlike judges in other stay motions, I cannot compare the pleadings in the class actions against the pleadings in all of the actions to be stayed. I am being asked to stay hundreds of actions, based on a sample of six cases in the motion record.
- [46] The defendants argue that the scope of the class action depends on whether it is certified, what causes of action survive, how the class is defined, and which common issues are certified. As a result, they say, the degree of overlap cannot be ascertained. I note, however, that virtually all stay applications under s. 13 of the CPA are brought prior to certification – before it is known which causes of action survive, how the class is defined, or which common issues are certified. Instead, when determining the extent of the overlap for the purposes of a stay motion, courts compare the causes of action in each proceeding and ask, is the overlap patent based on the pleadings?
- [47] When asked this way, the problem comes into sharp relief. The problem is not that the scope of the class action cannot yet be ascertained. The problem is that the plaintiffs are asking the court to compare the class action to hundreds of pleadings that are not identified, not in evidence, and that do not yet exist insofar as the stay is to apply to future Related Proceedings as well. It is not possible to determine if the overlap is patent on the pleadings when the pleadings are not before me.
- [48] I am prepared to accept that there is a substantial overlap between the class actions and those actions in which consumer protection legislation is pleaded. For example, one of the actions in the record is an action brought by a potential class member (Mr. Da Silva Pinto) alleging, among other causes of action, violations of the *Consumer Protection Act*. In two of the enforcement actions brought by the defendants, the defendant consumers (Ms. Juthi and Ms. Ray) also plead reliance on the *Consumer Protection Act*.

[49] I cannot, however, extrapolate that finding to all Related Proceedings. I cannot issue a class-wide stay before there is a class.

[50] The enforceability of the loan agreements is *assumed* in the enforcement actions, but it is not an issue to be adjudicated unless and until it is raised in a defence. Similarly, the lawfulness of the loan agreements is not in issue in the consumer actions unless it is pleaded in the statement of claim. Unlike all other cases where stays have been sought and/or granted, the specific actions to be stayed are not all before me. I cannot, therefore, conclude that there is a substantial overlap between the class actions and the Related Proceedings.

b. Shared Factual Background

[51] At this stage of the litigation, I also cannot infer that the factual backgrounds of all Related Proceedings are substantially similar.

[52] The evidence of the six affiants illustrates a diversity of experiences leading to and following the execution of the loan agreements. Mr. Malka states that he did not sign the loan. Mr. McAlpine argues that he did not get the promised rebate. Ms. Ray states that her father lacked capacity to enter into the contract. Mr. Da Silva Pinto alleges that the interest rate was not disclosed to him, and that he did not receive the promised warranty. Ms. Smith claims that the equipment she purchased works and is still in use, while Ms. Juthi states that she had to repair her equipment.

[53] The factual backgrounds of the hundreds of other Related Proceedings are obviously unknown at this time. I am therefore unable to conclude that there is a shared factual background between the class actions and *all* of the actions to be stayed.

c. Duplication of Judicial Resources

[54] Section 138 of the *Courts of Justice Act* provides that: “As far as possible, a multiplicity of legal proceedings shall be avoided.” The avoidance of a multiplicity of proceedings is also a goal of the CPA. There are hundreds of Related Proceedings pending across Ontario, many of them in Small Claims Court.

[55] The issues of the enforceability of the loan agreement, and the defendants’ entitlement to repayment from defaulting borrowers, are before the courts in the class actions and the Related Proceedings, respectively. If the proposed representative plaintiffs are correct, the defendants do not have the right to collect the alleged debts. Even if the agreements are found to be unenforceable, and questions related to remedy remain, there is no question that a stay of all Related Proceedings would conserve judicial resources.

[56] This criterion, therefore, favours the plaintiffs.

d. Will a Stay Result in an Injustice?

- [57] The focus of this part of the test is on the prejudice to each party if a stay is granted or refused, in terms of access to the courts, delay, or harm to a party's substantive rights: *Hathro Management Partnership v. Adler*, 2018 ONSC 1560 at para. 10. The discretion to grant a stay is highly dependent on the facts of each particular case. The discretion is to be exercised sparingly, keeping in mind that the burden to show that a stay should be granted is on the party seeking the stay: *Hathro*, at para. 13.
- [58] The plaintiffs seek a stay of all present and future litigation between the defendants and potential class members, pending the final disposition of the class actions, subject to the potential class members' opt-out rights. It is a far-reaching order that effectively precludes the defendants – who are in the business of lending money – from litigating against any borrower for any reason for several years.
- [59] The defendants adduced evidence of the impact of a stay of the Related Proceedings on their business. FinanceIt's Chief Operating Officer, Robert Sharrard, deposed that a stay of all present and future Related Proceedings "would have devastating consequences for FinanceIt's business" because it "would effectively prevent FinanceIt from enforcing its Loan Agreements for an indefinite period of time." He also testified that FinanceIt has contractual obligations towards its own financiers to pursue delinquent loans.
- [60] Vault relied on the evidence of Melanie Harry, its Operations Manager. Ms. Harry testified that enforcement actions against defaulting borrowers represent approximately 1% of the total number of outstanding loans advanced by Vault. Despite this low delinquency and collection rate, Ms. Harry stated that Vault needs to be able to pursue enforcement actions against defaulting borrowers. In her view, customers would simply choose to stop repaying their loans if they knew Vault had no recourse to the courts to obtain repayment. She further deposed that "an increase in the delinquency rate of even a few percentage points could make Vault's business not viable." Under cross-examination, she could not provide a specific percentage but stated that it depended on the loan amounts at issue.
- [61] The plaintiffs submit that this evidence deserves little weight because the defendants refused to disclose the contracts with the financiers. They also argue that the stays would not prevent the defendants from enforcing loans short of litigation – for example, by sending delinquent accounts to collection agencies, or by reporting consumers to credit rating companies.
- [62] I do not agree that Ms. Harry's and Mr. Sharrard's sworn evidence should be accorded little weight. They are the individuals most knowledgeable about the loan portfolios at their respective companies. The confidentiality of their finance agreements was not litigated but it is logical that the defendants would have obligations to pursue and reduce delinquent accounts.

- [63] Moreover, Vault's uncontested evidence is that its enforcement actions will become more difficult as time goes on. Particularly where defences/claims by consumers focus on alleged misrepresentations at the time of contract, the effect of delay on witness' memories is a concern. A stay lasting several years (until appeals of the certification decision are exhausted, or after the common issues trial is completed) would also increase the amounts owed by defaulting consumers beyond what can reasonably be recouped.
- [64] As the defendants acknowledge, individual consumers can seek relief, including a stay, in the context of their own actions. Indeed, three of the six affiants on this motion have done so. Judges deciding stay applications within the individual Related Proceedings have the advantage of applying the stay criteria to the specific facts and pleadings before them.
- [65] The plaintiffs submit that the prejudice to potential class members if no stay is granted is immediate and demonstrably harmful. For example, they point to efforts by Vault to garnish Ms. Brodie's income, and to the possibility that the defendants could collect any judgments through writs of seizure and sale. Vault's evidence is that garnishment activities were reversed when Ms. Brodie indicated that she intended to defend her individual action, and that it has never, and never will, force a sale of a debtor's home.
- [66] The plaintiffs' principal concern is that consumers are unsophisticated, unrepresented, and unaware of the full panoply of legal arguments that can be mounted to impugn the defendants' lending model. As a result, the potential class members are at a disadvantage in the Related Proceedings.
- [67] This argument may well be persuasive on the preferable procedure analysis at certification, but it is premature to issue a stay on that basis now. The court cannot prejudge the merits of the plaintiffs' claim that the loan agreements are unconscionable and that the consumers are all vulnerable and in need of the court's protection. The plaintiffs may ultimately succeed, but it is too early to say.
- [68] It is also not clear that consumers who settle their claims or against whom judgment is obtained are without a remedy in the event the class actions are successful. The proposed class definition includes past borrowers. The plaintiffs seek restitution of all amounts paid to the defendants. In other words, as Vault admits in its factum, "if the plaintiff is ultimately successful at a trial of this class action, the uncertified class members' damages can be cured by a damages award."

E. Disposition

- [69] I find that the plaintiffs have not met the test for a stay pursuant to s. 13 of the CPA. This finding does not preclude proposed class members involved in a Related Proceeding from seeking a stay in their litigation.
- [70] I am sympathetic to the plaintiffs' concern that some proposed class members may not be aware of the class action and therefore may not know that there is an option for a stay and to seek advice accordingly.

- [71] Where the certification of class proceedings is pending and the defendant is communicating with class members to negotiate settlements, courts have directed that before entering into any settlement, the defendant must make full disclosure of the class proceeding: *Lundy*, at para. 39; *Del Guidice v. Thompson*, 2021 ONSC 2206, at para. 42, leave to appeal refused, 2021 ONSC 7413 (Div. Ct.); and *Lewis v. Shell Canada Ltd.* (2000), 48 O.R. (3d) 612, at para. 12. If a consumer wants to settle with a defendant after knowing their rights as a potential class member, then they should have that freedom of action: *Lewis*, at para. 12. A settlement process in which a defendant does not disclose the proposed class action “is fraught with dangers”: *Lewis*, at para. 13.
- [72] FinanceIt has taken this step in the case at bar. FinanceIt provides a description of the class action, and the names and contact information of class counsel, to all consumers who are settling litigation with FinanceIt or settling collections accounts.
- [73] The same access to justice rationale applies at earlier stages of the Related Proceedings. There is no principled reason the defendants should wait until a settlement is pending before disclosing the class action. Proposed class members should be aware of all their rights available through the class proceeding before settling or adjudicating individually.
- [74] In addition to the court’s power under s. 12 of the CPA, the court has an inherent power to control its own process. The court may harness this power to supervise the conduct of a proposed class action in its pre-certification stages to make orders to protect potential class members: *de Muelenaere v Great Gulf Homes Limited*, 2015 ONSC 7442 at para. 40; *Fantl*, at paras. 57-59; *Fenn v. Ontario*, 2004 CanLII 28170 (ON SC), (Ont. S.C.), at paras. 13-17; *Vitelli*, at para. 31; and *Lewis*, at para. 12.
- [75] It is pursuant to this power that I am ordering the defendants to disclose the proposed class proceedings, and the names and contact information of class counsel, to the consumers in the Related Proceedings, whether the consumers are plaintiffs or defendants.
- [76] I ask that the parties file submissions (no longer than 10 double-spaced pages) on the contents and timing of the communication to be made to potential class members in the Related Proceedings. The plaintiffs’ submissions are due on March 23, 2026 and the defendants’ on March 30, 2026, and shall be sent to my attention by email to windsorregistrar@ontario.ca. If I determine that a hearing is required, counsel will be contacted by the trial coordinator in Windsor.
- [77] The plaintiffs’ motion for a stay is dismissed.

[78] If the parties cannot agree on costs, the defendants may file written submissions of no more than five double-spaced pages, and a bill of costs, within 30 days. The plaintiffs may file submissions of equal length with their bills of costs, 14 days after receipt of the defendants' material.



Jasminka Kalajdzic
Justice

Date: March 9, 2026

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Vasile Pavlioglu and Abram Braun

and

FinanceIt Canada Inc.

AND BETWEEN:

Dianne Leona Quinn

and

Vault Home Credit Corporation

REASONS FOR DECISION

Kalajdzic J.

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