

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N

VASILE PAVLIOGLU and ABRAM BRAUN

Plaintiffs

and

FINANCEIT CANADA INC.

Defendant

Proceeding under the *Class Proceedings Act, 1992*

STATEMENT OF DEFENCE

1. The Defendant, FinanceIt Canada Inc. (“**FinanceIt**”), denies each of the allegations contained in the Statement of Claim except to the extent expressly admitted herein.

The Defendant

2. The Defendant, FinanceIt, is a federally incorporated lender that maintains its head office in Toronto, Ontario.

3. FinanceIt is a point-of-sale lender providing small to medium-sized loans to homeowners, primarily for a range of home improvement projects. FinanceIt enters into loan agreements with these homeowners (each a “**Loan Agreement**”).

4. FinanceIt works with a network of home renovation companies (“**Dealers**”). Dealers are typically home improvement contractors or installers. Dealers connect their customers with FinanceIt when those customers need financing for home improvement projects.

5. FinanceIt contracts with each Dealer through a “Dealer Agreement”. In turn, the Dealer’s customers can apply for a home improvement loan from FinanceIt to pay for the Dealer’s goods and services. The Dealer Agreements vary from Dealer to Dealer.

6. FinanceIt has no involvement in the contract for goods or services between the borrower and the Dealer (the “**Goods and Services Agreements**”). FinanceIt is not a party to the Goods and Services Agreements.

7. Dealers are not employees, servants, or assigns of FinanceIt. Dealers cannot extend credit to customers on behalf of FinanceIt and cannot bind FinanceIt to a Loan Agreement. Except for the narrow purpose of verifying a borrower’s identity, Dealers are not agents for FinanceIt.

8. Each Dealer is an arm’s length third party. FinanceIt has no interest in any Dealer, nor does FinanceIt have control or oversight over any Dealer, as alleged in paragraph 53 of the Amended Statement of Claim or otherwise.

9. FinanceIt vets all Dealers prior to entering into Dealer Agreements. FinanceIt may terminate a Dealer Agreement if it determines that the Dealer has violated the terms of the Dealer Agreement, including by committing any fraud or material misrepresentation.

10. The Loan Agreements contain the terms on which FinanceIt’s lends money to borrowers. FinanceIt has used different forms of Loan Agreements over time and it has acquired loans that were originated by other lenders. Despite their differences, all of FinanceIt’s Loan Agreements disclose the terms of the loan, including:

- (a) The amount of the loan;

- (b) Any fees applicable to the loan;
- (c) The interest rate that will apply during the term;
- (d) The amortization period of the loan;
- (e) FinanceIt's right to set the interest rate that will apply to a renewal term, if the term of the loan is shorter than the amortization period;
- (f) That the borrower can repay the loan at any time without penalty;
- (g) That FinanceIt expressly disclaims any liability for the quality of Dealers' goods or services;
- (h) That FinanceIt expressly disclaims any liability for Dealers' representations or warranties regarding the goods or services that they provide.
- (i) That borrowers are responsible for payments regardless of whether they are satisfied with the goods or services provided by the Dealers;
- (j) That FinanceIt may register security in respect of the loans; and
- (k) That if the borrower defaults on their loan, the entire outstanding principal balance and any accrued interest becomes payable.

11. The Loan Agreements state the estimated periodic payments the borrowers will make, if the borrower borrows the full amount of for which they were approved. Because the borrower may not use the entire amount of the approval, the Loan Agreement cannot state the precise monthly payment, though this amount is determined after the Dealer has delivered the goods and services

and the borrower authorizes the release of funds. At that time, an Updated Fixed Credit Disclosure Statement, which forms part of the Loan Agreement, is delivered to the borrower and contains all required disclosures including monthly payment amount. The Loan Agreements sometimes include a promotional period during which the homeowner will not pay interest on the loan, or pay interest at a reduced rate. At the end of the term specified in the Loan Agreement, the borrower may renew the loan at the offered interest rate. Alternatively, the borrower may repay the outstanding principal of the loan without penalty.

12. FinanceIt's Loan Agreements comply with all applicable legislation and regulations. FinanceIt denies that it structures its Loan Agreements to obscure material terms or mislead consumers, as alleged or otherwise.

13. FinanceIt denies that it charges borrowers Promotional Program Fees as alleged at paragraphs 62-70 of the Amended Statement of Claim. Dealers pay Promotional Program Fees when they want to offer borrowers a lower rate of interest for a promotional period. FinanceIt does not permit Dealers to pass along Promotional Program Fees to borrowers. In the alternative, if borrowers paid Promotional Program Fees, this was done without FinanceIt's knowledge and in breach of FinanceIt's Dealer Agreements.

14. On or about June 15, 2023, FinanceIt acquired a portfolio of home improvement loans from Simply Group Financial, SNAP Home Finance, and EcoHome Financial. FinanceIt had no involvement in the origination of these loans.

FinanceIt's Collections Activity

15. When a borrower misses a payment, FinanceIt contacts the borrower to alert them to the missed payment and advise them to make their payment to bring their loan back into good standing. After repeated missed payments, FinanceIt may determine that a borrower is in default of their obligations under the Loan Agreement. FinanceIt may continue to contact that borrower to determine whether the borrower can maintain an alternative payment schedule. FinanceIt may offer to adjust the terms of the Loan Agreement, including offering a lower interest rate to the borrower. In some cases, FinanceIt may send the borrower's delinquent account to a third party collections agency.

16. Where a borrower does not make payments on their loan and the borrower cannot reach an agreement to bring their account into good standing, FinanceIt may commence an action against the borrower. If FinanceIt has sent the borrower's account to a third party collections agency, that third party collections agency may commence an action against the borrower. From time to time, borrowers also commence litigation against FinanceIt for a variety of reasons.

17. FinanceIt denies that it coerces borrowers to make payments, as alleged in paragraph 88 of the Amended Statement of Claim or otherwise. FinanceIt denies that legal actions are intended to intimidate borrowers into making payments. FinanceIt further denies that its collection efforts cause harm to borrowers, as alleged in paragraph 94 of the Amended Statement of Claim or otherwise.

Litigation Against Dealers

18. FinanceIt denies the allegations contained in paragraphs 73-84 of the Amended Statement of Claim regarding litigation against Dealers. FinanceIt denies that these actions are relevant to the Plaintiffs' actions against FinanceIt. The allegations made in the actions the Plaintiffs refer to are

particular to the circumstances of those pleadings and those actions. They provide no basis to generalize across all Dealers, or even across all loans associated with the same Dealer.

19. Some of the actions referenced in the Amended Statement of Claim were commenced in the context of borrower actions against FinanceIt. When a borrower commences an action against FinanceIt, the borrower often names the Dealer as a defendant. In these circumstances, FinanceIt may preserve its rights by counterclaiming against the Dealer.

20. If a Dealer breaches the Dealer Agreement, FinanceIt may claw back funds advanced to that Dealer. However, FinanceIt does so in respect of specific loans associated with the breach. When FinanceIt is able to recover money in respect of these loans, it credits those funds against the associated borrower's account. FinanceIt denies that it has failed to advise borrowers that it has clawed back funds, terminated the relationship, or commenced litigation against a Dealer in any circumstances in which such disclosure was required. FinanceIt denies that it enforces Loan Agreements procured through misrepresentation, fraud, incomplete disclosures, or failures to provide functioning goods or services.

The Plaintiffs' Agreements

Vasile Pavlioglu

21. Vasile Pavlioglu entered into a Loan Agreement with Simply Group Financial Corporation ("**Simply Group Financial**") on or about January 24, 2023 (the "**First Loan Agreement**"), to finance a water softener and HEPA filter provided by Provincial Smart Home Services, a Dealer. Mr. Pavlioglu's loan was for \$10,000. Mr. Pavlioglu's Loan Agreement stated that if he borrowed the authorized amount, his payments would be \$25.57 biweekly at an annual interest rate of 2.99%

for an initial period of twelve months, after which his biweekly payments would increase to \$52.63 at an annual interest rate of 12.99%.

22. Among other terms, the First Loan Agreement stated that:

- (a) Simply Group Financial would retain a security interest in the products Mr. Pavlioglu was purchasing;
- (b) Simply Group Financial did not make any representation as to the quality or fitness of the products;
- (c) Simply Group Financial could demand payment of the entire outstanding balance if Mr. Pavlioglu failed to make a payment on time;
- (d) Simply Group Financial had the right to set the interest rate for any renewal at the end of the loan's term; and
- (e) Simply Group Financial could assign the Loan Agreement at any time and without notice.

23. Mr. Pavlioglu received a one page letter from Simply Group Financial on or about January 26, 2023. The letter re-iterated some of the terms of his First Loan Agreement and specifically advised Mr. Pavlioglu that:

- (a) The loan was payable over a 12 month term beginning February 24, 2023;
- (b) The payment frequency was every two weeks;
- (c) The contract was amortized over 240 months, at 2.99% annual percentage rate;

- (d) Mr. Pavlioglu would not receive statements for the account; and
- (e) Mr. Pavlioglu could, at any time, pay the amount owing under the Loan Agreement in whole or in part without notice or penalty.

24. On January 24, 2023, Mr. Pavlioglu signed a Consumer Protection Ontario form, wherein he acknowledged that he had authorized Provincial Smart Home Services to come to his house to offer goods and services. This one-page form specifically stated that a notice of security interest could be registered on Mr. Pavlioglu's home.

25. Mr. Pavlioglu's First Loan Agreement with Simply Group Financial was assigned to FinanceIt on or about June 15, 2023. Pursuant to the terms of Mr. Pavlioglu's First Loan Agreement, no notice was required for the assignment.

26. Mr. Pavlioglu entered into another Loan Agreement with FinanceIt on or about January 11, 2024 for \$25,000 to finance a water heater, heat pump, and thermostat provided by Provincial Smart Home Services (the "**Second Loan Agreement**"). The first page of the Second Loan Agreement stated that if Mr. Pavlioglu borrowed the authorized amount, his payments would be \$48.27 biweekly at an annual interest rate of 0% for the first 12 months, and his biweekly payments would increase to \$137.97 at an annual interest rate of 13.99% after the first 12 months. The Second Loan Agreement states that Mr. Pavlioglu would be charged an administration fee of \$149.

27. Among other terms, the Second Loan Agreement stated that:

- (a) In authorizing FinanceIt to release funds, Mr. Pavlioglu acknowledged that FinanceIt made no representation or warranty regarding the goods or services he

would be receiving, and that he must continue to pay all amounts owing under the agreement if he was not satisfied with the goods or services;

- (b) At the end of the term, FinanceIt had the option to renew the agreement and set the interest rate;
- (c) If Mr. Pavlioglu missed a payment, FinanceIt could demand payment of the whole balance owing;
- (d) FinanceIt would have a security interest in the goods purchased, which it could protect through documents registered against his property; and
- (e) Mr. Pavlioglu could, at any time, pay the amount owing under the Loan Agreement in whole or in part without notice or penalty.

28. On January 11, 2024, Mr. Pavlioglu authorized the release of funds in the amount of \$25,000 to Provincial Smart Home Services, and in doing so he expressly acknowledged that Provincial Smart Home Services had completed all work.

29. FinanceIt has no knowledge of any representations or warranties that Provincial Smart Home Services allegedly made to Mr. Pavlioglu. In particular, neither the First Loan Agreement nor the Second Loan Agreement make any representation regarding rebates or credits.

30. Contrary to the allegation at paragraph 17 of the Amended Statement of Claim, FinanceIt provides borrowers with a copy of their Loan Agreement through its portal. When a new Loan Agreement is created, FinanceIt's system automatically sends an email to a borrower informing them how to access their Loan Agreement. On or about January 11, 2024, Mr. Pavlioglu received

such an email. He created an online account to access his Loan Agreement on the same day. In any event, any failure to provide a copy of a Loan Agreement would not reasonably have affected Mr. Pavlioglu's decision to enter into the Loan Agreements.

31. FinanceIt had no responsibility for selecting the equipment to be installed in Mr. Pavlioglu's home, pricing the goods and services that he purchased, applying for any rebates, or servicing and maintaining the equipment.

32. On or about November 1, 2024, Mr. Pavlioglu submitted an Affidavit of Fraud to FinanceIt and requested FinanceIt cancel his Loan Agreements on the basis of fraud. Upon review, FinanceIt determined that no fraud had occurred and Mr. Pavlioglu had willingly entered into the Loan Agreements. Accordingly, FinanceIt did not cancel Mr. Pavlioglu's Loan Agreements. FinanceIt informed Mr. Pavlioglu of this determination on or about November 14, 2024.

33. On or about December 13, 2024, Mr. Pavlioglu stopped making payments under both the First Loan Agreement and the Second Loan Agreement. On or about January 1, 2025, Mr. Pavlioglu defaulted on both the First Loan Agreement and the Second Loan Agreement.

34. On or about February 26, 2025, legal counsel at the Advocacy Centre for the Elderly ("ACE") contacted FinanceIt to advise that ACE represented Mr. Pavlioglu and that FinanceIt should cease communicating directly with Mr. Pavlioglu. FinanceIt stopped communicating with Mr. Pavlioglu as requested.

35. FinanceIt denies that the price of the goods and services that Mr. Pavlioglu purchased grossly exceeded the price at which similar goods or services were readily available to persons in like circumstances. In any event, the cost of the Loan Agreements cannot be compared to the cost

of purchasing the equipment outright. The Loan Agreements were a means of financing the cost of the equipment over a long period of time, rather than making an upfront payment.

36. Mr. Pavlioglu's Loan Agreements remain in effect and have not been terminated in accordance with their terms. Mr. Pavlioglu remains in default of his Loan Agreements. Mr. Pavlioglu has not paid the buyout amount (the current principal balance plus total interest accrued) to terminate the Loan Agreements, and he is not entitled to terminate the Loan Agreements without making such payment. At all times, FinanceIt has been entitled to request payment from Mr. Pavlioglu and to enforce the terms of the Loan Agreements.

Abram Braun

37. Abram Braun entered into a Loan Agreement with FinanceIt on or about September 11, 2023, to finance a furnace, heat pump and humidifier provided by Provincial Smart Home Services. Mr. Braun's loan was for \$32,000 with an annual interest rate of 0.00% for the 12 month term. His Loan Agreement stated that his estimated biweekly payments would be \$61.70 if he borrowed the authorized amount. It further stated that the term of the loan was 12 months, and that the amortization period was 240 months. It stated that Mr. Braun would incur a \$149 administration fee.

38. Among other terms, Mr. Braun's Loan Agreement stated that:

- (a) In authorizing FinanceIt to release funds, Mr. Braun acknowledged that FinanceIt made no representation or warranty regarding the goods or services he would receive, and that he must continue to pay all amounts owing under the agreement if he was not satisfied with the goods or services;

- (b) At the end of the term, FinanceIt had the option to renew the agreement and set the interest rate;
- (c) If Mr. Braun missed a payment, FinanceIt could demand payment of the whole balance owing;
- (d) Mr. Braun could, at any time, pay the amount owing under the Loan Agreement in whole or in part without notice or penalty; and
- (e) FinanceIt would have a security interest in the goods purchased, which it could protect through documents registered against his property.

39. FinanceIt has no knowledge of any representations or warranties that Provincial Smart Home Services allegedly made to Mr. Braun. Mr. Braun's Loan Agreement does not make any representation regarding rebates or free products or services from Provincial Smart Home Services.

40. Contrary to the allegation at paragraph 36 of the Amended Statement of Claim, FinanceIt provides borrowers with a copy of their Loan Agreement through its portal. When a new Loan Agreement is created, FinanceIt's system automatically sends an email to a borrower informing them how to access their Loan Agreement. Mr. Braun received this email on September 11, 2023. He created an online account to access his Loan Agreement on the same day. In any event, any failure to provide a copy of the Loan Agreement would not reasonably have affected Mr. Braun's decision to enter into the Loan Agreement.

41. On or about September 11, 2023, Mr. Braun authorized the release of funds to Provincial Smart Home Services, expressly indicating that Provincial Smart Home Services had completed all work.

42. On or about October 24, 2024, FinanceIt sent Mr. Braun a Renewal Agreement for the next 60 month term of his loan, stating that his new biweekly payment would be \$186.40 and his annual interest rate would be 14.99% for the renewal term.

43. Mr. Braun missed his scheduled payment on or about February 18, 2025. On or about February 24, 2025, FinanceIt called Mr. Braun to advise him that he was in arrears. Mr. Braun informed FinanceIt that he had not received the rebates allegedly promised by Provincial Smart Home Services and he would not be paying his loan. On the same day, FinanceIt provided Mr. Braun with the form for the Affidavit of Fraud to request cancellation of his loan and requested proof of the allegedly promised rebates. Despite repeated follow up from FinanceIt, Mr. Braun provided neither. After multiple missed payments, FinanceIt marked Mr. Braun's loan in default on or about May 15, 2025.

44. On or about April 8, 2025, as a gesture of good will, FinanceIt offered to reduce the interest rate on Mr. Braun's loan to 8.99% if he would bring the loan into good standing. Mr. Braun did not accept this offer.

45. FinanceIt had no responsibility for selecting the equipment to be installed in Mr. Braun's home, pricing the goods and services that he purchased, applying for any rebates, or servicing and maintaining the equipment.

46. FinanceIt denies that the price of the goods and services that Mr. Braun purchased grossly exceeded the price at which similar goods or services were readily available to persons in like circumstances. In any event, the cost of the Loan Agreements cannot be compared to the cost of purchasing the equipment outright. The Loan Agreements were a means of financing the cost of the equipment over a long period of time, rather than making an upfront payment.

47. Mr. Braun's Loan Agreement remains in effect and has not terminated in accordance with its terms. Mr. Braun remains in default of his Loan Agreement. Mr. Braun has not paid the buyout amount (the current principal balance and total interest accrued) to terminate the Loan Agreements, and he is not entitled to terminate the Loan Agreements without making such payment. At all times, FinanceIt has been entitled to request payment from Mr. Braun and to enforce the terms of the Loan Agreement.

Response to Allegations

Mr. Pavlioglu's Claim is Limitations-Barred

48. Mr. Pavlioglu's claim in respect of his First Loan Agreement is statute-barred under the *Limitations Act*, 2002, SO 2002, c 24. Mr. Pavlioglu commenced this proceeding on April 7, 2025. He entered into the Loan Agreement on January 24, 2023.

49. FinanceIt denies that Mr. Pavlioglu could not have discovered his claim until this action was commenced, including because of any fraudulent concealment. FinanceIt did not conceal (fraudulently or otherwise) any unlawful conduct in a manner that prevented putative class members from discovering their claims.

No Liability Under the *Consumer Protection Act*

50. FinanceIt is not liable under the *Consumer Protection Act*, 2002, S.O. 2002, c. 30, Sched. A ("*CPA*"), or Equivalent Consumer Protection Legislation, in relation to the Plaintiffs' Loan Agreements as alleged in the Amended Statement of Claim or at all.

51. FinanceIt is not a "supplier" as defined under the *CPA* or under Equivalent Consumer Protection Legislation (as defined in the Statement of Claim). FinanceIt did not originate the Goods

and Services Agreements. There was no relationship between FinanceIt and the Dealers, or between FinanceIt and the Plaintiffs, that would make FinanceIt a supplier under the *CPA* or Equivalent Consumer Protection Legislation.

52. The Loan Agreements are not “Goods and Services Agreements” as defined under the *CPA* or Equivalent Consumer Protection Legislation. In respect of the Loan Agreements, the Plaintiffs are not “consumers” for the purposes of the *CPA* or the Equivalent Consumer Protection Legislation.

53. Further and in the alternative, the Loan Agreements were not unlawful or contrary to the *CPA* or Equivalent Consumer Protection Legislation, as alleged or at all. In the further alternative, FinanceIt did not know, and had no reason to believe, that the Loan Agreements were unlawful or contrary to the *CPA* or Equivalent Consumer Protection Legislation, which is denied.

54. FinanceIt denies that it structured the Loan Agreements to misrepresent or avoid making full and proper disclosure. FinanceIt denies structuring the Goods and Services Agreements at all. FinanceIt denies that the Loan Agreements and the enforcement of debt thereunder violate the purposes of the *CPA* and the Equivalent Consumer Protection Legislation, either in form or substance.

55. FinanceIt denies that it has any obligation under the *CPA*, Equivalent Consumer Protection Legislation, or otherwise, to disclose to borrowers that it is involved in proceedings against Dealers.

56. FinanceIt denies that its attempts to collect on the Loan Agreements are unlawful under the *CPA*, Equivalent Consumer Protection Legislation, or otherwise.

(i) The Loan Agreements do not breach direct agreement provisions

57. FinanceIt denies that the Loan Agreements are direct agreements within the meaning of the *CPA* or Equivalent Consumer Protection Legislation.

58. In the alternative, the Loan Agreements do not breach the direct agreement provisions of the *CPA* and Equivalent Consumer Protection Legislation, as alleged or at all. At all times, all prescribed information was disclosed to the Plaintiffs as required by law, including any disclosure statement.

59. Further, and in the alternative, FinanceIt denies that the total amount payable by the Plaintiffs or the total cost of borrowing was to be calculated as alleged in paragraph 116 of the Amended Statement of Claim, or that FinanceIt failed to provide the Plaintiffs with any information required by law.

(ii) The Loan Agreements do not breach remote agreement provisions

60. FinanceIt denies that the Loan Agreements are remote agreements within the meaning of the *CPA* or Equivalent Consumer Protection Legislation. In the alternative, if the Loan Agreements are remote agreements, FinanceIt complied with all statutory obligations under the *CPA* and Equivalent Consumer Protection Legislation.

61. The Loan Agreements contained all material information required under the *General Regulations*, O. Reg. 17/05. In the alternative, if any required information was not included in the Loan Agreements, such information was not material.

(iii) The Loan Agreements do not breach the credit agreement provisions

62. FinanceIt denies that the Loan Agreements are credit agreements within the meaning of the *CPA* or Equivalent Consumer Protection Legislation. In the alternative, if the Loan Agreements are credit agreements, FinanceIt complied with all relevant provisions of the *CPA* or Equivalent Consumer Protection Legislation.

63. FinanceIt denies that it is a lender or joint supplier in respect of any Goods and Services Agreements within the meaning of the *CPA* or similar provisions of the Equivalent Consumer Protection Legislation. In the alternative, if FinanceIt is a lender or joint supplier in respect of any Goods and Services Agreements within the meaning of the *CPA* or similar provisions of the Equivalent Consumer Protection Legislation, it complied with all applicable provisions of the *CPA* or Equivalent Consumer Protection Legislation.

64. FinanceIt denies that it failed to inform the Plaintiffs of any prescribed information. Among other things, FinanceIt disclosed to the Plaintiffs:

- (a) Details about the interest rate, including that it could change during the term of the agreement;
- (b) The nature of each element of the cost of borrowing, including elements other than interest;
- (c) The outstanding principal balance as at the beginning of the term; and
- (d) The rights and obligations of the parties upon default

65. The Plaintiffs are not entitled to recovery under Part VII or any other provisions of the *CPA* or Equivalent Consumer Protection Legislation.

66. Contrary to the allegations in the Amended Statement of Claim, FinanceIt denies that the disclosures were presented to deceive customers as to the true cost of borrowing.

67. FinanceIt denies that the Plaintiffs are entitled to rescission of the Loan Agreements by virtue of any purported rescission of the Goods and Services Agreements. FinanceIt denies that the Plaintiffs are entitled to the recovery of the fees and interest charged under any Loan Agreement, or to recovery of the payments FinanceIt received.

(iv) No unfair practices

68. FinanceIt denies that it engaged in, or that the Loan Agreements constitute, any unfair practices contrary to the *CPA* and Equivalent Consumer Protection Legislation, as alleged or at all.

69. FinanceIt did not originate the Goods and Services Agreements, which were originated by the Dealers.

70. Providing financing for and registering a notice of security interest in relation to a Loan Agreement does not constitute an unfair practice contrary to the *CPA* or Equivalent Consumer Protection Legislation.

71. There was no failure to disclose to the Plaintiffs any material information required to be disclosed to them. The Plaintiffs received all material information that they were entitled to receive. There was no exaggeration, innuendo or ambiguity as to any material fact, and no failure to state a material fact. Any inadequate disclosure, which is denied, did not deceive or tend to deceive.

72. The total Loan Agreement cost, total amount payable and the security are not material facts requiring disclosure to the Plaintiffs. In the alternative, they were adequately described to the

Plaintiffs. In the further alternative, it was not possible to ascertain these amounts at the time the Loan Agreements were entered into.

73. The terms of the Loan Agreements are not excessively one-sided, or so adverse to the Plaintiffs as to be inequitable.

74. The Loan Agreement price does not grossly exceed the prices at which similar services were readily available to the Plaintiffs.

The Loan Agreements are not Unconscionable or Invalid

75. FinanceIt denies that the loan agreements are unconscionable or invalid, as alleged in the Amended Statement of Claim or otherwise. The Loan Agreements were not improvident bargains as alleged in the Amended Statement of Claim at paragraph 156 or otherwise.

76. FinanceIt denies that the Plaintiffs are vulnerable persons who lack legal or financial sophistication. The Plaintiffs were given the opportunity to obtain independent legal or financial advice. If the Plaintiffs did not like the terms of the loan agreements, they could have declined to enter into them and obtained alternative financing, or they could have terminated the Loan Agreements in accordance with their terms at any time.

77. FinanceIt denies that the Dealers were incentivized to engage in breaches of the *CPA* or Equivalent Consumer Protection Legislation.

No Conspiracy

78. FinanceIt denies that it is liable for civil conspiracy, as alleged at paragraphs 166-183 of the Amended Statement of Claim, or at all. The Amended Statement of Claim does not plead the required elements of civil conspiracy as it relates to the Plaintiffs.

79. FinanceIt denies that it engaged in any (i) unlawful acts that were intended to harm the Plaintiffs; or (ii) unlawful or illegal acts that FinanceIt knew or ought to have known would harm the Plaintiffs. Further, FinanceIt denies that any of its conduct caused the Plaintiffs to suffer damage.

80. FinanceIt denies that there was a common design with the Dealers. FinanceIt denies that it is jointly and severally liable for the conduct of the Dealers that dealt with the Plaintiffs. FinanceIt denies that it assisted the Dealers in carrying out the allegedly unlawful conduct.

No Violation of the *Competition Act*

81. FinanceIt denies that there are any material facts to support the allegations of breach of the *Competition Act*. There are no particulars of the Loan Agreements that are alleged to be false or misleading in a material respect to support the allegation of a breach of section 52(1) of the *Competition Act*. There is no actionable representation, pleaded or otherwise, as required by s. 52(1) of the *Competition Act*.

82. The Amended Statement of Claim does not plead that FinanceIt made any representation or inducement on which the Plaintiffs relied to enter into the Loan Agreements, and FinanceIt made no such representation or inducement. In the alternative, if such representations or inducements were made, FinanceIt denies that the Plaintiffs were entitled to, or did in fact, rely upon such representations and inducements.

83. FinanceIt denies that the Plaintiffs have suffered damages for which they are entitled to recover pursuant to s. 36(1) of the *Competition Act*, or that the Plaintiffs are entitled to any other remedies pursuant s. 36 of the *Competition Act*.

No Unjust Enrichment

84. FinanceIt has not been unjustly enriched, as alleged or at all. FinanceIt did not charge or retain any unlawful amounts from the Plaintiffs.

85. The Plaintiffs have not suffered any deprivation that corresponds to any alleged unjust enrichment of FinanceIt. Further, and in the alternative, the Loan Agreements are a juristic reason for any enrichment of FinanceIt.

86. Further and in the alternative, the Plaintiffs are not entitled to restitution of any amount by which FinanceIt was enriched.

No Fraudulent Concealment

87. FinanceIt denies that there has been any fraudulent concealment of the grounds on which the Plaintiffs allege that the Loan Agreements are unlawful, as alleged at paragraphs 231-236 of the Amended Statement of Claim or at all. FinanceIt denies that the Plaintiffs have been prevented from discovering their causes of action.

Response to Remedies

No Remedies

88. The Plaintiffs have not suffered any loss or damage for which FinanceIt is liable under the *CPA*, Equivalent Consumer Protection Legislation, or at law, as alleged or at all.

89. The Loan Agreements were made in accordance with the *CPA*, to the extent that it applied, and were binding on the Plaintiffs. In any event, the Plaintiffs never suffered any loss in connection with the Loan Agreements.

90. The Plaintiffs are not entitled to any damages, under the *CPA* or at law, as alleged or at all.

91. The Plaintiffs are not entitled to any remedies under ss. 93, 98, and 100 of the *CPA*, nor any other remedies of the *CPA*, as alleged or at all.

92. The Plaintiffs are not entitled to cancel or rescind the Loan Agreements. FinanceIt pleads and relies on s. 18(2) of the *CPA* and the fact that the Plaintiffs have had the benefit of their loans.

93. Further, and in the alternative, the Plaintiffs have not given notice of their claims in accordance with the *CPA*, and as such are not entitled to rescission their Loan Agreements or any other remedies sought. It is not in the interest of justice to waive any notice requirement. FinanceIt relies on s. 18(3) of the *CPA*.

94. Further, and in the alternative, if FinanceIt is liable to the Plaintiffs, which is denied, it is an “assignee” as defined under the *CPA* and its liability is limited to the amounts paid by the Plaintiffs to FinanceIt.

95. The Plaintiffs are not entitled to disgorgement of FinanceIt’s profits, as alleged or at all. Disgorgement is not an available remedy under the *CPA*. Further, and in the alternative, it is not an appropriate remedy in the circumstances.

Injunctive Relief

96. There is no basis for permanent or interlocutory injunctive relief with respect to the Plaintiffs. FinanceIt denies the conduct alleged in the Statement of Claim with respect to their involvement in the Loan Agreements or the Plaintiffs was unlawful or that they are liable for any allegedly unlawful conduct.

Punitive Damages

97. The Plaintiffs are not entitled to punitive or exemplary damages as alleged or at all. FinanceIt did not engage in any wrongful conduct that was willful, deliberate, high-handed, outrageous, callous, or in contemptuous disregard of the Plaintiffs' rights and interests or took advantage of any alleged vulnerability of the Plaintiffs. FinanceIt's conduct did not depart to a marked degree from ordinary standards of decent behaviour.

No Relief from Debt

98. There is no basis for forgiveness of any outstanding amounts owed by the Plaintiffs.

No Plan of Distribution or Conspicuous Notice Plan

99. FinanceIt denies that there is any basis for aggregate damages, as alleged at paragraphs 228-229 of the Amended Statement of Claim, or at all.

100. FinanceIt denies that there is a basis for a conspicuous notice program, as alleged at paragraph 230 of the Amended Statement of Claim, or at all.

Class Proceeding Not Suitable

101. FinanceIt denies that this action is suitable for a class proceeding. The criteria for certification under s. 5(1) of the *Class Proceedings Act*, S.O. 1992, c. 6 (the "*Class Proceedings Act*") have not been met and cannot be met.

102. FinanceIt denies that that the Plaintiffs are entitled to aggregate damages under the *Class Proceedings Act*. The requirements under s. 24 of the *Class Proceedings Act* have not been met.

103. This Statement of Defence responds to the Plaintiffs' individual claims only. FinanceIt reserves the right to amend this Statement of Defence if the action is certified as a class proceeding and respond to the claims, if any, as certified.

104. FinanceIt pleads and relies upon the following statutes:

- (a) *Consumer Protection Act*, 2002, SO 2002, c 30, Sched. A; O Reg 17/05; O Reg 8/18;
- (b) *Limitations Act*, 2002, SO 2002, c 24, Sch. B; and
- (c) *Class Proceedings Act*, 1992, SO 1992, c 6.

105. FinanceIt asks that this action be dismissed with costs.

November 13, 2025

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Plaintiffs Defendant

Court File No. CV-25-00034752-00CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at WINDSOR
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