

**CROWN CREST, SIMPLY GREEN, AND PEOPLES TRUST COMPANY
HVAC EQUIPMENT LEASE CLASS ACTIONS**

Short Form Notice of Certification and Settlement Approval Hearing

**THESE CLASS ACTIONS WERE CERTIFIED FOR SETTLEMENT PURPOSES.
A SETTLEMENT HAS BEEN REACHED, SUBJECT TO COURT APPROVAL.**

Please read this notice carefully, as it may affect your legal rights.

Who may be affected?

If you are a homeowner in Canada (except Quebec) and are or were at any time party to a lease agreement for HVAC or HVAC-related Equipment¹ with Crown Crest, Sandpiper Energy Solutions, Simply Green Home Services, or HCSI Home Comfort (defined as “Settling Defendants” below) between July 17, 2013 and January 15, 2025, you could be affected by these class action lawsuits involving certain alleged breaches of consumer protection legislation and other claims.

The class actions apply to all individuals in Canada, with the exception of residents of Quebec, who are or were at any time, directly or indirectly, party to a consumer agreement to lease HVAC or HVAC-Related Equipment involving the defendants, regardless of the identity of the vendor that originated the consumer agreement, between July 17, 2013, and January 15, 2025.

Background of the class actions

- **July 7, 2021:** A class action was commenced against Lawrence Krimker and several Crown Crest, Simply Green Home Services, and Sandpiper companies. The lawsuit alleges that the defendants failed to comply with consumer protection laws by not disclosing material information and unlawfully registering liens against class members’ homes.
- **December 21, 2023:** Another class action was commenced against Peoples Trust Company and others for similar alleged breaches.

The class actions have been certified for settlement purposes and a settlement has been reached with the following defendants: Lawrence Krimker, Crown Crest Capital Management Corp., Crown Crest Financial Corp., Crown Crest Capital Trust, Crown Crest Capital II Trust, Crown Crest Billing Corp., Crown Crest Capital Corp., Crown Crest Funding Corp., Sandpiper Energy Solutions, Sandpiper Energy Solutions Home Comfort, Simply Green Home Services (Ontario) Inc., Simply Green Home Services Inc., Simply Green Home Services Corp., Simply Group, HCSI Home Comfort Inc., HCSI Home Comfort 2 Inc., Ecohome Financial Inc., Simply Group Acquisition Corp., Peoples Trust Company, Lyudmila Krimker, 2775996 Ontario Inc., Marble Amalco Inc., and SGHS Management Holdco Inc. (the “**Settling Defendants**”).

Some of the Settling Defendants are insolvent and in proceedings under the *Companies’ Creditors Arrangement Act* (“**CCAA**”).

¹ “HVAC or HVAC-Related Equipment” means furnaces, air conditioners, air purifiers, water heaters, water softeners, water purifiers, water treatment systems, water filters, boilers, air cleaners, humidifiers, heat recovery ventilators, chimney liners, duct cleaning services, filters, thermostats and other equipment or services offered under the rental contracts, or bundles of these goods and services.

Settlement details

The Settling Defendants agree to provide the following benefits:

- A cash payment of \$17,000,000;
- Cash participation in the sale proceeds of the companies that are in insolvency proceedings in the amount of 25% of any purchase price paid over \$250 million;
- Cancellation and arrears forgiveness of \$13,500,000 worth of ongoing consumer agreements for consumers in certain situations of hardship, with the leased equipment to be gifted to the affected class members;
- A permanent cap on annual increases under the lease agreements at 3.5% for leases currently held by the Settling Defendants;
- A permanent 25% reduction in the lease buy-out prices for certain HVAC equipment for leases currently held by the Settling Defendants; and,
- A consent court order to the effect that no notice of security interest or similar lien anywhere in Canada shall be enforceable in respect of leases currently held by the Settling Defendants, together with an individualized letter to affected class members confirming that notices of security interest or other encumbrance registered by the Settling Defendants are of no force and effect. The letter will authorize a lawyer retained by a class member to seek to discharge same from their home title.

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

In return for these benefits, the settlement, if approved and conditions fulfilled, will settle all claims relating in any way to or arising out of the class actions against the Settling Defendants, including claims that class members were misled, deceived, or tricked into signing their leases. If approved, the settlement will resolve the litigation in its entirety.

The plaintiffs' allegations have not been proven in Court. The Settling Defendants deny the allegations made by the plaintiffs, and the defendants intend to vigorously defend the claims if the Settlement is not approved.

Approval of settlement

The approval of this settlement is contingent on two judges of the Ontario Superior Court approving it. One of those judges oversees the class actions. The other judge oversees a CCAA insolvency proceeding involving some of the Settling Defendants. The approval of both judges is required.

A settlement approval motion will be heard on February 4, 2025, during which the plaintiffs will seek the Court's approval of the settlement, distribution of funds, and class counsel's fees (33% of the cash component of the settlement only). Further information about the settlement approval hearing will be provided in due course.

YOUR OPTIONS

Do Nothing:	If you want to be a member of these class actions, <u>you do not need to do anything</u>. Class members who do not oppose the proposed settlement need not attend the settlement approval hearing or take any other action at this time.
Exclude Yourself / Opt-Out:	If you do not want to be a member of the class action, you can exclude yourself from the class actions (“opt-out”) by no later than <u>January 15, 2025</u>. You can do so by sending a signed Opt-Out Form to class counsel. The form is available as Schedule “A” attached to this notice and on this website . Further details and instructions are specified in the long form notice available on this website .
Object or Comment:	If you do not wish to exclude yourself from the class actions but wish to oppose, support, or express opinions on the proposed settlement, you must send your written submissions to class counsel (by mail or email) at the address listed below. Class counsel will forward such submissions to the Court. All filed written submissions will be considered by the Court. If you do not file a written submission by December 31, 2024 , you may not be entitled to speak at the settlement approval hearing. If you want to attend this hearing, please contact class counsel for additional details. More details and instructions are specified in the long form notice approved by the Court available on this website .

For more information, see the long form notice available on [this website](#). If you still have questions, please contact class counsel at classactions@sotos.ca or [1-888-977-9806](tel:1-888-977-9806)

This notice was approved by the Court.

Schedule "A"

**CROWN CREST, SIMPLY GREEN AND PEOPLES TRUST COMPANY
HVAC EQUIPMENT LEASE CLASS ACTION**

OPT-OUT FORM

TO: **SOTOS LLP**
55 University Ave, Suite 600
Toronto, ON M5J 2H7
Attention: Sotos Class Actions

Facsimile: (416) 977-0717
Email: classactions@sotos.ca

I wish to exclude myself from the Crown Crest and Peoples Trust Company HVAC Equipment Lease class action lawsuits. I do **not want to participate** in the class actions styled as *Bonnick et al. v. Crown Crest Management Corp. et al.* and *Bonnick et al. v. Peoples Trust Company et al.* regarding the alleged breaches of consumer protection laws in respect of consumer agreements to lease HVAC and HVAC-related Equipment. I understand that by submitting this form, I will **not be eligible for any payment or other benefit** awarded or paid in the class actions. I understand that completing and submitting this form, will exclude me from the class actions and that **I will receive no benefits from the settlement.** I understand that if I want an opportunity to be compensated, I will have to make a separate individual claim, and if I decide to pursue my own claim and engage a lawyer, I must do so at my own expense subject to applicable limitations periods. **I understand that some of the defendants are insolvent and in a CCAA insolvency proceeding.**

Reason for opting out: _____

Signature: _____

First and Last Name (please print):

Address:

Postal code:

Telephone:

Note: To opt out, this form must be completed in full and received by email or mail at the above address on or before January 15, 2025.