



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-24-00730212-00CL

DATE: September 16, 2025

NO. ON LIST: 04

TITLE OF PROCEEDING: ROYAL BANK OF CANADA v. CHESSWOOD GROUP LIMITED

BEFORE: JUSTICE KIMMEL

REGISTRAR: FARZANA CHOWDHURY

PARTICIPANT INFORMATION

For Applicant:

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For Respondent:

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Other:

Name of Person Appearing	Name of Party	Contact Info
Vincent DeMarco <i>Counsel for the plaintiff</i>	Shane McCormick and the putative class in the securities class action <i>McCormick v. Chesswood</i> CV-24-00729269	Vdemarco@bergermontague.com

ENDORSEMENT OF JUSTICE KIMMEL:

- [1] Since the CCAA Initial Order dated October 29, 2024 was made, the Monitor has undertaken an expansive mandate, working consistently to oversee the CCAA Parties' business while pursuing potential transactions in search of a value-maximizing resolution

to these CCAA proceedings. Its efforts have yielded results, including court approval of various transactions in respect of different elements of the CCAA Parties' business. Most recently, on July 29, 2025 this court approved the Bishop AVO and the Waypoint AVO. The Monitor now requests approval of a last transaction.

- [2] Capitalized terms not otherwise defined in this endorsement shall have the meanings ascribed to them in the Monitor's factum in support of this motion.
- [3] This motion is for an approval and vesting order (the "Easy Legal AVO") approving the asset purchase agreement dated August 27, 2025 (the "Easy Legal APA") between Chesswood, 1000390232 Ontario Inc. ("Easy Legal" and together with Chesswood, the "Easy Legal Vendors") and 17208260 Canada Inc. (the "Purchaser"), and the sale by the Easy Legal Vendors of the Easy Legal Assets (as defined below) (the "Proposed Easy Legal Transaction"). The Proposed Easy Legal Transaction is an asset purchase, with some liabilities also being assumed.
- [4] Easy Legal provides financing services in British Columbia, Alberta, Ontario, and the Atlantic provinces. Prior to the commencement of the CCAA proceedings, Easy Legal was a specialty lender focused on providing credit solutions to the legal and medical sectors offering three kinds of loans: (i) loans to finance personal injury lawsuits, (ii) loans to finance separation or divorce proceedings, and (iii) loans to finance medical treatment or surgical procedures.
- [5] The Monitor recommends that the court approve Proposed Easy Legal Transaction, it is supported by the Pre-Filing Lenders by their agent and is not opposed by any party on the service list. Extensive marketing efforts undertaken both prior to and during these CCAA proceedings establish that the Proposed Easy Legal Transaction represents the best (and only) transaction available and is the only opportunity for the business of Easy Legal to continue as a going concern. As summarized in the Monitor's Eighth Report:
 - a. Easy Legal was marketed broadly as part of the pre-filing process undertaken by RBC Capital Markets ("RBCCM") in respect of the Chesswood Group during 2024, in which RBCCM contacted 187 parties and as a result of which 26 non-disclosure agreements were signed. However, notwithstanding such pre-filing marketing efforts, no transaction involving the sale of, or investment in, Easy Legal was identified at that time.
 - b. Following the Filing Date, and in accordance with the SISP, the Monitor contacted 198 parties that may have had an interest in the Chesswood Group's business, including Easy Legal. Of those, 13 indicated that they may have, or otherwise were believed to have, an interest in Easy Legal's business, and four of those 13 parties ultimately signed non-disclosure agreements to gain access to a data room and evaluate a potential acquisition of Easy Legal or its business. The Monitor received one non-binding offer from those parties (the "Non-Binding Offer"). While the

Monitor, Easy Legal Vendors, and interested party subsequently engaged in negotiations regarding a definitive transaction document in respect of the Easy Legal business, that offer did not culminate in a binding executed purchase agreement.

- c. Upon determining that the Non-Binding Offer would not result in a transaction, the Monitor and the Easy Legal Vendors began preparations to move the business to a loan service provider and wind it down over time, while remaining open to inbound interest in the business and its assets. Several parties expressed interest but ultimately did not proceed past the initial discussions stage. The Purchaser reached out to the Monitor in July 2025 to express interest in acquiring the business. Following discussions, the Easy Legal Vendors and the Purchaser agreed to the terms of an asset acquisition, which culminated in the signing of the Easy Legal APA.
- d. The Monitor believes the proceeds from the Proposed Easy Legal Transaction will result in a better realization than could be achieved if the business was wound down over time.

- [6] Pursuant to subsection 36(1) of the CCAA, the court may authorize a debtor company to sell or otherwise dispose of assets outside the ordinary course of business. Further, CCAA courts have the jurisdiction to approve settlements entered into by debtors during the course of CCAA proceedings, which authority derives from the court's general discretion granted under s. 11 of the CCAA.
- [7] The s. 36(3) CCAA factors overlap significantly with the *Soundair* factors that were applied in approving sale transactions prior to the CCAA amendments introducing section. For all of the reasons detailed in the Monitor's Eighth Report dated September 9, 2025 (the "Eighth Report") and factum filed on this motion, I am satisfied that the s. 36 CCAA factors and the *Soundair* principles have been met.
- [8] Notably, there is no suggestion of any unfairness in the working out of this process. To the contrary, interested parties were presented with the opportunity to purchase Easy Legal as part of a Court-sanctioned SISF. The Monitor carried out the SISF, and is satisfied that its extensive marketing attempts demonstrate the improbability of receiving a better offer. Further, the Pre- Filing Lenders support the Proposed Easy Legal Transaction. No stakeholder raised any opposition to or concerns about the court approval this transaction.
- [9] The Monitor is of the view that the Proposed Easy Legal Transaction should be approved and that the proposed Easy Legal AVO is necessary, reasonable and justified in the circumstances. The Monitor's reasons for recommending approval are summarized in paragraph 27 of its Eighth Report.

- [10] In such circumstances, the court "should uphold the business judgment of the Monitor as to the result of the sales process and should not lightly interfere" with the exercise of this judgment "so long as the sale process was fair, reasonable, transparent and efficient": *Pride Group Holdings Inc. et al.*, 2024 ONSC 5908, at paras. 10-14, citing *Royal Bank v. Soundair Corp.* (1991), 4 O.R. (3d) 1.
- [11] The Proposed Easy Legal Transactions are approved.
- [12] The Easy Legal AVO contemplates, among other things, that the aggregate cash proceeds from the Proposed Easy Legal Transaction will be distributed to the Pre-Filing Agent as repayment of the indebtedness under the Existing Credit Agreement. The court has previously approved distributions to these Pre-Filing Lenders, whose security has already been vetted by the Monitor and its counsel. It is anticipated the Pre-Filing Lenders will still suffer a significant shortfall in recovery. The proposed distribution is approved.
- [13] I have signed the Easy Legal AVO in the form requested, which is consistent with previously approved AVO's in this proceeding.
- [14] The Monitor may request that a further hearing be scheduled prior to October 3, 2025 (i.e., the expiry of the stay of proceedings) to address the stay extension. If it is ready to deal with other matters that had been originally contemplated for the motion returnable today (i.e., the CCAA termination) those too may be addressed if there is time available on the court schedule. Otherwise, a separate hearing shall be scheduled by the Monitor to address any remaining matters. Any hearing(s) scheduled to seek the balance of the relief that was originally part of the motion returnable today shall be on notice to the service list.

A handwritten signature in dark ink, appearing to read "Kimmel J.", with a stylized, cursive script.

KIMMEL J.