

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGMENT OF
**CHESSWOOD GROUP LIMITED, CASE FUNDING INC., CHESSWOD HOLDINGS
LTD., CHESSWOOD US ACQUISITIONCO LTD., LEASE-WIN LIMITED, WINDSET
CAPITAL CORPORATION, CHESSWOOD CAPITAL MANAGEMENT INC.,
CHESSWOOD CAPITAL MANAGEMENT USA INC., 942328 ALBERTA INC.,
908696 ALBERTA INC., 1000390232 ONTARIO INC. and CGL HOLDCO, LLC**

**AIDE MEMOIRE OF DANIEL WITTLIN
(Motion returnable November 20, 2025)**

November 20, 2025

LAX O'SULLIVAN LISUS GOTTLIEB LLP
Counsel
Suite 2750, 145 King Street West
Toronto ON M5H 1J8

Matthew P. Gottlieb LSO#: 32268B
mgottlieb@lolg.ca
Tel: 416 644 5353

Annecy Pang LSO#: 87037S
apang@lolg.ca
Tel: 416 956 5098

Lawyers for Daniel Wittlin

TO: SERVICE LIST

1. Daniel Wittlin is a named defendant in the draft statement of claim that RBC seeks to issue following a lifting of the stay.¹ He should not be. RBC's claim does not disclose a reasonable cause of action against Mr. Wittlin and RBC has not provided any further reasons or evidence to ground its claim, notwithstanding Mr. Wittlin's request that RBC does so in advance of the motion.

A. The Claim Does Not Disclose a Reasonable Cause of Action against Mr. Wittlin

2. The Court must consider the merits of the proposed action before deciding whether to lift the stay of proceedings. There must be a reasonable cause of action or a tenable case against Mr. Wittlin. There is none here.

3. Mr. Wittlin was a director of Chesswood between June 2021 and July 2024. He did not have management oversight of Chesswood, was not on the audit committee, was not involved in the Borrowing Base calculations and certificates, and did not sign any compliance certificates.

4. RBC does not make a claim against any other director and acknowledges in the statement of claim that there is no claim against Mr. Wittlin as a director. The allegations against Mr. Wittlin are contained in paragraphs 81 and 82 of the statement of claim:

81. In the case of Daniel Wittlin, while the plaintiff does not allege that the directors of Chesswood ought to have been aware of the misconduct detailed herein solely by virtue of their roles as directors, Daniel Wittlin was uniquely situated among the directors. Among the directors, Daniel Wittlin was the largest shareholder in Chesswood. Daniel Wittlin was also a Director and/or Officer of Vault Credit and Vault Home, two subsidiaries of Chesswood whose assets were included in the Borrowing Base. Finally, Daniel Wittlin was a close personal friend of Ryan Marr, joining Chesswood within

¹ Affidavit of Wenwei (Wendy) Chen sworn October 27, 2025 ("**October 27 Chen Affidavit**"), Exhibit C, RBC Motion Record at Tab 2C, p. 235.

approximately one year of Ryan Marr's appointment as CEO and exercising influence over the operations and business direction of the Chesswood Group during the material time.

82. By virtue of his heightened involvement in Chesswood (relative to other Chesswood directors), Daniel Wittlin owed the plaintiff the duty of care detailed in paragraphs 76-77 above, which duty was breached by:

(a) failing to institute quality control protocols to ensure the integrity of Borrowing Base preparation and the accuracy of Borrowing Base calculations, such as those ultimately adopted by Chesswood, as detailed in paragraph 70, above, despite his close familiarity with these matters arising from his relationship with Ryan Marr and other Chesswood directors and officers; and

(b) acquiescing, and/or participating by commission or omission, in the misrepresentations made to the Lenders detailed above.²

5. The draft statement of claim makes clear that there is no viable claim against Mr. Wittlin. Mr. Wittlin's alleged liability is premised on that he was the largest shareholder in Chesswood and a "close personal friend" of Chesswood's CEO. Neither of these reasons is sufficient to ground liability:

(a) Mr. Wittlin owned approximately \$35 million worth of shares in the company prior to its insolvency. However, shareholders, no matter how large, are not responsible for the accounting side of the business and the fact that he was a shareholder did not provide him with any special knowledge of the accounting side of Chesswood. RBC does not provide any material facts to suggest otherwise; and

² October 27 Chen Affidavit, Exhibit C at paras. 81-82, RBC Motion Record at Tab 2C, pp. 261-262.

- (b) A friendship with the CEO of Chesswood is not a basis for a claim against Mr. Wittlin nor are any material facts alleged that would support a cause of action.

6. By RBC's own words, there is no tenable case against Mr. Wittlin. RBC acknowledges that directors would not have been aware of any alleged misconduct. This extends to Mr. Wittlin. He was a director of the company and had no management role. The claim does not plead otherwise.

B. RBC Refuses to Provide Supporting Evidence of its Claim

7. On November 17, 2025, Mr. Wittlin sent a letter to RBC setting out the basis to exclude him as a defendant in the proposed action and asking for: (i) the steps RBC took to investigate its alleged claims against Mr. Wittlin; (ii) the results of the investigation that support the claim against Mr. Wittlin; and (iii) the notes of any interviews or meetings that would support the claim against Mr. Wittlin. The letter is enclosed at [Tab A](#).

8. RBC refused to provide any documents that support its claim to Mr. Wittlin. Instead, it advised that it will engage with Mr. Wittlin "once the claim has been issued." This email is enclosed as [Tab B](#).

C. Order Requested

9. Mr. Wittlin respectfully requests that the Court decline to issue the claim as against him. Should the Court lift the stay of proceedings to permit the issuance of RBC's statement of claim, Mr. Wittlin requests that the endorsement notes that the Court is in no way endorsing the claim.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 20th day of November, 2025.



Matthew P. Gottlieb/Annecy Pang

November 20, 2025

LAX O'SULLIVAN LISUS GOTTLIEB LLP

Counsel

Suite 2750, 145 King Street West

Toronto ON M5H 1J8

Matthew P. Gottlieb LSO#: 32268B

mgottlieb@lolg.ca

Tel: 416 644 5353

Annecy Pang LSO#: 87037S

apang@lolg.ca

Tel: 416 956 5098

Lawyers for Daniel Wittlin

TAB A

Matthew P. Gottlieb

Direct 416 644 5353
mgottlieb@lolg.ca

Lax O'Sullivan Lisus Gottlieb LLP

Suite 2750, 145 King St W
Toronto ON M5H 1J8 Canada
T 416 598 1744 F 416 598 3730
www.lolg.ca

**Lax
O'Sullivan
Lisus
Gottlieb**

November 17, 2025

BY EMAIL

Milly Chow and Kelly Bourassa
Blake, Cassels & Graydon LLP
199 Bay Street, Suite 4000
Commerce Court West
Toronto ON M5L 1A9

Dear Counsel:

Daniel Wittlin et al ats. Royal Bank of Canada, in its capacity as administrative agent and collateral agent to the lenders

We are counsel to Daniel Wittlin in the above-noted matter and write in advance of the motion to lift the stay in the CCAA proceedings scheduled for November 20, 2025.

We are surprised to see Mr. Wittlin named as a defendant in the proposed statement of claim. The claim against Mr. Wittlin is without merit and should be struck prior to issuance. Indeed, the statement of claim makes clear that there is no legitimate claim against him and, to put it lightly, attempts to create a claim based on guilt by association. That is not a proper claim and there are no material facts to support a claim against Mr. Wittlin.

As you are aware, Mr. Wittlin was a director of Chesswood between June 2021 and July 2024. He did not have management oversight of Chesswood, was not on the audit committee, was not involved in the Borrowing Base calculations and certificates, and did not sign any compliance certificates.

Indeed, RBC explicitly acknowledges that it does not allege that Chesswood's directors ought to have been aware of any alleged misconduct "solely by virtue of their roles as directors". Instead, RBC alleges that Mr. Wittlin was "uniquely situated" among the directors, because he was the largest shareholder in Chesswood and because he was a "close personal friend" of Ryan Marr (draft statement of claim, para. 81). Neither allegation is sufficient to give rise to liability. Shareholders, no matter how large, are not responsible for oversight of the accounting side of the business and the fact that he was the largest shareholder, did not provide him with any special knowledge of the accounting side of Chesswood.

Additionally, a friendship with the CEO of Chesswood is not a basis for a claim against Mr. Wittlin. Mr. Wittlin did not exercise his "influence over the operations and business

direction of the Chesswood Group” (draft statement of claim, para. 81) to direct anyone to carry out any alleged misconduct. Indeed, the divisions of Chesswood that Mr. Wittlin oversaw have consistently reported information properly. We have enclosed a letter from CBIZ MHM LLC which confirms this.

The fact is, RBC has no facts that support that Mr. Wittlin could be liable for its alleged losses, because there are none. Moreover, the claim ignores that Mr. Wittlin has suffered the biggest loss of any single party as a result of the circumstances of Chesswood’s insolvency. He invested approximately \$35 million of shares in the company that are now worthless. Indeed, he purchased approximately \$3.1 million in shares on the open market a few months prior to the discovery of the financial irregularities as he had no knowledge of the misreporting of the borrowing bases.

We should also point out that Mr. Wittlin is certain that he could have successfully assisted in a restructuring of Chesswood and offered his assistance at no charge to do so. At all times Mr. Wittlin was confident and still maintains that an orderly wind down of Chesswood’s portfolios would have yielded a positive return to shareholders and a payout to the banks.

Mr. Wittlin maintains it was RBC’s misguided steps in its enforcement that led to its losses. Additionally, Mr. Wittlin understands that it was RBC’s obligation to verify the borrowing base calculations and the irregularities existed for over a year prior to RBC bringing them to the Chesswood board’s attention.

RBC should be aware that Mr. Wittlin has been in the lending market for 25 years and has had a productive and longstanding relationship with RBC. There has never been an issue with the operation of Mr. Wittlin’s businesses with RBC or any lender. This is because Mr. Wittlin carries on his businesses transparently and honestly. He has a sterling reputation in the business community and these baseless allegations of impropriety will cause him significant harm. It is completely irresponsible for RBC to make these allegations in a public claim. Mr. Wittlin will, if necessary, pursue the bank for all the harm he has suffered once the claim is dismissed and will challenge any claim of privilege regarding such a finding.

Any reasonable inquiry into Mr. Wittlin and his role at Chesswood would have elucidated the above facts. As the Court is being asked to assist in lifting the stay of proceedings to allow the statement of claim to be issued against Mr. Wittlin, please provide by **5:00pm on November 18, 2025**:

1. The steps RBC took to investigate its alleged claims against Mr. Wittlin;
2. The results of the investigation that support the claim against Mr. Wittlin; and
3. The notes of any interviews or meetings that would support the claim against Mr. Wittlin.

If RBC proceeds with the claim, Mr. Wittlin will rely on this letter in seeking full indemnity costs once it is dismissed.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Matthew P. Gottlieb', with a stylized, cursive script.

Matthew P. Gottlieb

Encl.

cc. Doug McLeod, Jake Harris, *Blake, Cassels & Graydon LLP*
Marc Wasserman, Dave Rosenblat, Sean Stidwill, *Osler, Hoskin & Harcourt LLP*
Annecy Pang, *Lax O'Sullivan Lisus Gottlieb LLP*



CBIZ MHM, LLC
1001 Conshohocken State, Road, Ste 1-406
West Conshohocken, PA 19428-2906
P: 610.862.2249 ■ F: 610.862.2500

M. Michael Aquino
Lead Managing Director
Direct: 610-862-2737
Email: maquino@cbiz.com

March 18, 2025

To whom it may concern,

On April 30, 2024, CBIZ MHM, LLC was engaged by RBC Capital Markets in its capacity as Lender to conduct due diligence procedures for purposes of an extension of credit of the Chesswood Group Ltd. ("CHW"), which included the subsidiaries of Vault Credit Corporation, Rifco Inc and Vault Home Credit Corporation under an Agreement to Provide Consulting Services dated April 30, 2024 ("Engagement Letter").

Under the Engagement Letter, CBIZ performed an Agreed To Scope of Services. The review included the following. The testing was conducted at each subsidiaries level and at the corporate level.

- A general review of Company management structure and policies and procedures for originations, boarding, servicing and cash cycle processes for the 12 months ended March 31, 2024.
- The Monthly Servicer Report and Compliance Covenants for each subsidiary and the consolidation by Chesswood Group Ltd.
- Credit and Underwriting policies and file testing
- Receivable reconciliations
- Collections and Billing policies and testing
- Cash Management processing and testing
- Allowance for Loss reserve policies
- Documentation of systems in place

Our review identified significant issues regarding CHW's preparation and reporting of its Net Collateral Availability at the corporate level, which was reported to its Lender. The errors were due to double pledging of collateral assets at the corporate level only and not at the individual subsidiary level. Based on the Scope of Services performed at the subsidiary level, we noted the subsidiaries were reporting the collateral information properly as per the governing legal documents for each lender transaction.

Sincerely,

A handwritten signature in black ink that reads "M. Michael Aquino".
M. Michael Aquino, Lead Managing Director

TAB B

From: McLeod, Doug <doug.mcleod@blakes.com>
Sent: November-19-25 3:00 PM
To: Annecy Pang; Bourassa, Kelly; Chow, Milly
Cc: Harris, Jake; mwasserman@osler.com; drosenblat@osler.com; sstidwill@osler.com; Matt Gottlieb; Joanne Jodhan; Eric Block; Adriana Forest
Subject: RE: Daniel Wittlin et al ats. Royal Bank of Canada, in its capacity as administrative agent and collateral agent to the lenders [LOLG-DMS.FID186861]

Hi Annecy,

In response to your Nov 17 letter, we disagree with the summary of the claim that is set out in your letter, and we rely upon the allegations pleaded.

We will be pleased to engage with you in regard to the allegations regarding Mr. Wittlin in the course of the litigation process once the claim has been issued, including in regard to any discussions you may feel would be useful, and beyond that in regard to ordinary-course document production and discovery matters, but we will not be providing pre-claim document productions to Mr. Wittlin.

Thanks,

Doug McLeod
Partner
doug.mcleod@blakes.com
+1-416-863-2705

Blake, Cassels & Graydon LLP
199 Bay Street, Suite 4000, Toronto ON M5L 1A9 ([Map](#))
blakes.com | [LinkedIn](#)

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AND IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CHESSWOOD GROUP LIMITED, et al.

Court File No. CV-24-00730212-00CL

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PROCEEDING COMMENCED AT
TORONTO

**AIDE MEMOIRE OF DANIEL WITTLIN
(Motion returnable November 20, 2025)**

LAX O'SULLIVAN LISUS GOTTLIEB LLP

Counsel

Suite 2750, 145 King Street West
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Tel: 416 644 5353

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