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

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 ARRANGEMENT OF **CHESSWOOD GROUP LIMITED, CASE FUNDING INC., CHESSWOOD 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**

MOTION RECORD OF THE PLAINTIFF

(*Motion to Lift the Stays of Proceedings to allow the Investor Class Action to proceed*)

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

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TAB 1

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

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 ARRANGEMENT OF **CHESSWOOD GROUP LIMITED, CASE FUNDING INC., CHESSWOOD 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**

NOTICE OF MOTION

(*Motion to Lift the Stays of Proceedings to allow the Investor Class Action to proceed*)

The Applicant, Shane McCormick (the "**Class Action Plaintiff**"), plaintiff in the proposed class proceeding *Shane McCormick v Chesswood Group Ltd., Ryan Marr, and Tobias Rajchel*, Court File No.: CV-24-00729269-00CP (the "**Investor Class Action**"), will make a motion to the Honourable Justice Dietrich of the Ontario Superior Court of Justice (Commercial List) returnable July 16, 2026 at 11:00am.

PROPOSED METHOD OF HEARING: The motion is to be heard:

[ ] In writing under subrule 37.12.1 (1) because it is (insert one of on consent, unopposed or made without notice);

[ ] In writing as an opposed motion under subrule 37.12.1 (4);

[ ] In person;

[ ] By telephone conference;

[x] By video conference;

THE MOTION IS FOR:

1. An Order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") that, *inter alia*:

   (a) the stay of proceedings (the "**CCAA Stay**") established pursuant to the Amended and Restated Initial Order dated November 7, 2024 (the "**ARIO**") in the within proceeding (the "**CCAA Proceeding**") and the stay of proceedings (the "**BIA Stay**") established pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**") be lifted to permit the Class Action Plaintiff, for and on behalf of a proposed class of investors, to file an Amended Statement of Claim and Motion for Leave to Proceed under the *Securities Act*, R.S.O. 1990, c. S.5 ("**OSA**") and Certification as a Class Proceeding under the *Class Proceedings Act, 1992*, S.O. 1992, c. 6 ("**CPA**") in the Investor Class Action, and to pursue those motions and the Investor Class Action generally;

   (b) directs the registrar of the Ontario Superior Court of Justice to issue the Amended Statement of Claim in the Investor Class Action; and,

   (c) Such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THIS MOTION ARE:

The Investor Class Action

2. The putative Investor Class Action was commenced by way of Statement of Claim issued October 11, 2024. The defendants in the Investor Class Action are Chesswood Group Ltd. ("**Chesswood**"), Ryan Marr ("**Marr**"), and Tobias Rajchel ("**Rajchel**").
3. The Investor Class Action alleges that Chesswood, Marr and Rajchel made misrepresentations about Chesswood's operations and finances during the class period, which, when corrected, caused actionable loss to class members. The Investor Class Action is to recover those losses.

The CCAA Stay

4. On October 29, 2024, Chesswood, on application by Royal Bank of Canada, in its capacity as the agent for lenders to Chesswood under a syndicated revolving credit facility, became subject to creditor protection under the CCAA pursuant to an order of this Court (the "**Initial Order**"). The Initial Order granted the CCAA Stay against or in respect of Chesswood.
5. On October 2, 2025, the Court granted an order (the "**Stay Extension and Ancillary Relief Order**") that extended the CCAA Stay period to January 30, 2026 to allow the Monitor to complete certain wind-down activities before the termination of the CCAA Proceeding.
6. The Stay Extension and Ancillary Relief Order also granted Chesswood the authority to make an assignment in bankruptcy pursuant to the BIA.

The CCAA Stay has been lifted for a competing action

7. On November 20, 2025, the Court granted an Order lifting the CCAA Stay for the sole purpose of permitting the agent for the Lenders to commence and pursue a proceeding in the Ontario Superior Court of Justice against Chesswood and certain former directors and officers.
8. On November 28, 2025, the Statement of Claim was filed in *Royal Bank of Canada, in its capacity as Administrative Agent and Collateral Agent to the Lenders v Chesswood Group Limited, Ryan Marr, Tobias Rajchel, Christopher Wallbank and Daniel Wittlin*, Court File No.: CL-25-00753601-0000 (the "**Lender Action**"). The Lender Action is now moving forward.

The Stay now effects an unfair result on the Investor Class Action

9. On January 23, 2026, the Court granted an Order (the "**CCAA Termination Order**") that, among other things, terminated the CCAA Proceeding upon service by the Monitor of the CCAA Termination Certificate and extended the CCAA Stay until the termination of the CCAA Proceeding.
10. On February 11, 2026, Chesswood filed an assignment under section 49 of the BIA, triggering the BIA Stay.
11. As of June 8, 2026, the Monitor has not yet served the CCAA Termination Certificate to terminate the CCAA Proceeding and the CCAA Stay is ongoing.
12. Following the CCAA Proceeding, Chesswood has no material assets and no operating businesses remaining. Chesswood's common shares are at a value of $0.00 in Canada.

13. The Investor Class Action and the Lender Action each seek damages from Chesswood and certain of its former directors and officers. As Chesswood has no material assets or businesses remaining and its common shares have no value, the recovery sought in both the Investor Class Action and the Lender Action is limited to the amount of Chesswood's applicable insurance policies. The CCAA Stay has already been lifted to permit the Lender Action to proceed.
14. The continued application of the CCAA Stay and BIA Stay to the Investor Class Action alone materially prejudices the Class Action Plaintiff and putative class members, who are precluded from advancing their claims in the earlier filed Investor Class Action against the same defendants while another creditor is permitted to pursue substantially similar relief from the same applicable insurance policies.
15. The provisions of the CCAA and the inherent and equitable jurisdiction of this Honourable Court.
16. The BIA, including sections 49, 50, 62, 69.3, 69.4 of the BIA.
17. The *Courts of Justice Act,* R.S.O. 1990, c. C.43, as amended.
18. The *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, including rules 1.04(1), 37, 57 2.03, 3.02, 14.05, 16, 37 and 57; and,
19. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. The Affidavit of Daniel Pallag, sworn June 23, 2026, and the exhibits appended thereto;
2. Such further and other evidence as counsel may advise and this Honourable Court may permit.

July 7, 2026

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TAB 2

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

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 ARRANGEMENT OF **CHESSWOOD GROUP LIMITED, CASE FUNDING INC., CHESSWOOD 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**

AFFIDAVIT OF DANIEL PALLAG
(Sworn July 6, 2026)

I, **DANIEL PALLAG**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY**:

1. I am a paralegal with the law firm Berger Montague (Canada) PC, counsel to the plaintiff (the "**Class Action Plaintiff**") in the proposed class proceeding *Shane McCormick v Chesswood Group Ltd., Ryan Marr, and Tobias Rajchel*, Court File No.: CV-24-00729269-00CP (the "**Investor Class Action**"). As such, I have personal knowledge of the facts to which I hereinafter depose, except where stated to be on information and belief, in which case I disclose the source of my information. I believe that the facts deposed herein are true.

2. This affidavit does not and is not intended to divulge any privileged information. No portion of this affidavit is intended to waive, nor should it be construed as a waiver of, solicitor-client, litigation, or any other privilege.

3. I swear this affidavit in support of the Class Action Plaintiff's motion for an order lifting the stays of litigation established under the *Companies' Creditors Arrangement Act*, R.S.C.

1985, c. C-36, as amended (the "**CCAA**") and the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**").

The Investor Class Action

4. The Class Action Plaintiff filed the Investor Class Action on October 11, 2024 by way of Statement of Claim. The defendants in the Investor Class Action are Chesswood Group Ltd. ("**Chesswood**"), Ryan Marr ("**Marr**"), and Tobias Rajchel ("**Rajchel**"). Attached hereto and marked as **Exhibit "A"** is a copy of the Statement of Claim in the Investor Class Action.

5. Chesswood was an Ontario based holding company whose subsidiaries engaged in the business of specialty finance and private credit alternatives for investors, including equipment finance throughout the United States and Canada, and vehicle, legal, home improvement, and other consumer financing in Canada.

6. The Class Action Plaintiff advances causes of action for statutory secondary market misrepresentation and common law negligent misrepresentation. The proposed Class Period in the Investor Class Action is May 9, 2023 to July 22, 2024.

7. Chesswood's common shares were listed on the TSX, the Frankfurt Stock Exchange and the U.S. over-the-counter market.

8. Marr was Chesswood's President and CEO during the Class Period until he resigned on July 8, 2024. Rajchel was Chesswood's CFO during the Class Period until July 8, 2024, when he was named President and CEO. Marr and Rajchel signed certifications

accompanying Chesswood's quarterly filings which stated that said documents were fairly stated and did not contain any untrue statements of material fact.

9. On January 14, 2022, Chesswood entered into a syndicated revolving credit facility ("**SRCF**") in the maximum principal amount of US$300 million. The secured lenders of the SRCF to Chesswood were Royal Bank of Canada, The Toronto-Dominion Bank, The Huntington National Bank, M&T Bank, Canadian Imperial Bank of Commerce, and Laurentian Bank of Canada (the "**Lenders**"). Chesswood reported to the market that the access to capital from the SRCF was materially important to it.

10. The Investor Class Action alleges that during the Class Period, Chesswood published statements that its business operations and financials were doing well, that it was in compliance with the SRCF's debt covenants, and that investors could rely upon its published financial statements and MD&As as being accurate.

11. The Investor Class Action alleges that these misrepresentations were publicly corrected:

(a) on June 14, 2024 when Chesswood released a statement that contrary to representations made earlier in the year, it was in breach of debt covenants associated with the SRCF;

(b) on July 22, 2024 when Chesswood released a statement that it would need to restate its 1Q 2024 financial statements and MD&A as a result of its previously disclosed errors in calculating its borrowing base for the purposes of its SRCF; and,

(c) on August 7, 2024 when Chesswood announced that it would not be able to release its 2Q 2024 financial statements and MD&A, that it was investigating whether it would also restate its F/2023 financial statements, and that its securities would be subject to a failure to file cease trade order.

12. On March 27, 2026, the Class Action Plaintiff served his draft Motion Record for Leave to Proceed and Certification on the defendants in the Investor Class Action. Attached hereto and marked as **Exhibit "B"** is a copy of the Class Action Plaintiff's proposed Notice of Motion for Leave to Proceed and Certification in the Investor Class Action. The full motion record is voluminous and has not been attached.

13. The Motion Record for Leave to Proceed and Certification included a draft Amended Statement of Claim. Attached hereto and marked as **Exhibit "C"** is a copy of the draft Amended Statement of Claim in the Investor Class Action.

14. The Class Action Plaintiff cannot file the Amended Statement of Claim or the Motion Record for Leave to Proceed and Certification because of the CCAA Stay and the BIA Stay, as defined below.

CCAA Proceeding

15. On October 29, 2024, on application by the agent for the Lenders, Chesswood became subject to creditor protection under the CCAA (the "**CCAA Proceeding**"), pursuant to the Initial Order of this Court (the "**Initial Order**"). The Initial Order granted a stay of litigation against or in respect of Chesswood (the "**CCAA Stay**"). Attached hereto and marked as **Exhibit "D"** is a copy of the Initial Order.

16. On November 7, 2024, the Court granted the Amended and Restated Initial Order (the "**ARIO**"), which, among other things, extended the stay period. The ARIO provides that

the CCAA Stay applies not only to claims against Chesswood, but also to any claim against any of the former, current or future directors or officers of Chesswood. Attached hereto and marked as **Exhibit "E"** is a copy of the ARIO.

17. Following the issuance of the ARIO, Chesswood and the Court-appointed Monitor engaged in extensive marketing of Chesswood's assets, which resulted in the sale of substantially all of Chesswood's assets. During this period, the stay period was extended several times by orders of the Court.

18. On October 2, 2025, the Court granted the Stay Extension and Ancillary Relief Order, which extended the CCAA Stay period to January 30, 2026 to allow the Monitor to complete certain wind-down activities before the termination of the CCAA Proceeding, and which granted Chesswood the authority to make an assignment in bankruptcy under the BIA. Attached hereto and marked as **Exhibit "F"** is a copy of the Stay Extension and Ancillary Relief Order.

19. On November 20, 2025, the Court granted an Order lifting the CCAA Stay for the sole purpose of permitting the agent for the Lenders to commence and pursue a proceeding against Chesswood and certain of its former directors and officers (the "**Lift Stay Order**"). Attached hereto and marked as **Exhibit "G"** is a copy of the Lift Stay Order.

20. On January 23, 2026, the Court granted the CCAA Termination Order, which, among other things, provided that the CCAA Proceeding would terminate upon service by the Monitor of the CCAA Termination Certificate, and that the CCAA stay would be extended until the termination of the CCAA Proceeding. Attached hereto and marked as **Exhibit "H"** is a copy of the CCAA Termination Order.

21. As of the date of this affidavit, the Monitor has not yet served the CCAA Termination Certificate, the CCAA Proceeding has not terminated, and the CCAA Stay remains ongoing.

22. Following the CCAA Proceeding, Chesswood has no material assets and no operating businesses remaining. Chesswood's common shares are at a value of $0.00 in Canada.

Chesswood's Bankruptcy Proceeding

23. On February 11, 2026, Chesswood filed an assignment under section 49 of the BIA, triggering a stay of litigation (the "**BIA Stay**"). Attached hereto and marked as **Exhibit "I"** is a copy of the Certificate of Appointment in the Matter of the Bankruptcy of Chesswood Group Limited, Estate No.: 31-3332011. Attached hereto and marked as **Exhibit "J"** is a copy of the Form 78 Statement of Affairs (Corporate Bankruptcy).

The Lender Action

24. Following the Lift Stay Order, on November 28, 2025, the agent for the Lenders filed a Statement of Claim in *Royal Bank of Canada, in its capacity as Administrative Agent and Collateral Agent to the Lenders v Chesswood Group Limited, Ryan Marr, Tobias Rajchel, Christopher Wallbank and Daniel Wittlin*, Court File No.: CL-25-00753601-0000 (the "**Lender Action**"). Attached hereto and marked as **Exhibit "K"** is a copy of the Statement of Claim in the Lender Action.

25. The Lender Action is now moving forward. On April 27, 2026, Myers J. granted a motion to strike, with leave to amend, brought by the individual defendant Daniel Wittlin. Myers J. dismissed motions to strike brought by the other individual defendants, and the Lender

Action is ongoing as against the defendants Chesswood, Ryan Marr, Tobias Rajchel, and Christopher Wallbank. Attached hereto and marked as **Exhibit "L"** is a copy of the Endorsement of Myers J dated April 27, 2026.

26. The Investor Class Action and the Lender Action each seek damages from Chesswood and certain of its former directors and officers. As Chesswood has no material assets or businesses remaining and its common shares have no value, the recovery sought in both the Investor Class Action and the Lender Action is limited to the amount of Chesswood's applicable insurance policies. The Monitor in the CCAA Proceeding has made copies of Chesswood's applicable insurance policies available, and I understand that the insurance may be applicable to both the Investor Class Action and the Lender Action.

27. The continued application of the CCAA Stay and BIA Stay to the Investor Class Action materially prejudices the Class Action Plaintiff and putative class members, who are precluded from advancing their claims in the earlier filed Investor Class Action against the same defendants, while another creditor is permitted to pursue substantially similar relief from the same applicable insurance policies.

28. I make this affidavit in support of the Class Action Plaintiff's motion for an order lifting the stays of litigation established under the CCAA and the BIA, and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 6th day of July, 2026	)))	
Commissioner for Taking Affidavits **Jonathan Bradford** (LSO#: 82632P)		**DANIEL PALLAG**

THIS IS **EXHIBIT "A"**
Referred to in the Affidavit of
DANIEL PALLAG, sworn before me this 6th day
of July 2026.

____
A Commissioner for Taking Affidavits
JONATHAN BRADFORD
(LSO# 82632P)

Court File No.: ____________________________

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

SHANE MCCORMICK

Plaintiff

– and –

CHESSWOOD GROUP LTD., RYAN MARR, and TOBIAS RAJCHEL

Defendants

Proceeding under the *Class Proceedings Act, 1992*

STATEMENT OF CLAIM

TO THE DEFENDANTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiff's lawyers or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

IF YOU PAY THE PLAINTIFFS' CLAIM, and $5,000.00 for costs, within the time for serving and filing your statement of defence you may move to have this proceeding dismissed by the court. If you believe the amount claimed for costs is excessive, you may pay the plaintiff's claim and $400.00 for costs and have the costs assessed by the court.

Date Issued:	Issued by: ______________________ Local Registrar
	Address of Court Office: Superior Court of Justice 330 University Avenue, 7th Floor Toronto, Ontario, M5G 1R8

TO:

CHESSWOOD GROUP LIMITED
Legal Department
1133 Yonge Street, Suite 603
Toronto, Ontario, M4T 2YT
Tel: (416) 624-2263

DEFINED TERMS

1. In addition to the terms defined in ss. 1(1) and 138.1 of the *Securities Act*, R.S.O. 1990, c. S. 5, and elsewhere herein, the following capitalized terms used throughout this Statement of Claim have the meanings indicated below:

(a) "**Class (OSA Statutory)**" means all beneficial owner persons, other than Excluded Persons, who acquired Chesswood's common shares during the Class Period and who held some or all of those common shares until after the release of at least one of the Public Corrective Disclosures;

(b) "**Class (Common Law)**" means all Canadian beneficial owner entities and persons, other than Excluded Persons, who acquired Chesswood's common shares and who held some or all of those common shares until after the release of at least one of the Public Corrective Disclosures;

(c) "**Class Period**" means May 9, 2023, through July 22, 2024, for the cause of action under the OSA;

(d) "**Company**" or "**Chesswood**" means Chesswood Group Ltd.;

(e) "***CPA***" means the *Class Proceedings Act, 1992*, S.O. 1992, c. 6, as amended;

(f) **"Debt Covenants"** means debt and financial covenants relating to Chesswood's syndicated revolving credit facility;

(g) "**Excluded Persons**" means any of the Defendants, their executives, family members and business partners during the Class Period, and any business entities in which any family member of the Individual Defendants had a controlling interest during the Class Period, including Daniel Wittlin and HB Leaseco Holdings Inc;

(h) “**Impugned Documents**” means the documents and statements released on May 9, 2023 August 8, 2023, November 6, 2023, January 22, 2024, March 14, 2024, and May 8, 2024;

(i) **“Marr”** means Defendant Ryan Marr;

(j) “**MD&A**” means Management’s Discussion and Analysis;

(k) “***OSA***” means the *Securities Act*, R.S.O. 1990 c. S.5, as amended;

(l) “***OBCA***” means the Ontario Business Corporations Act, RSO 1990, c B.16, as amended;

(m) “**Public Corrective Disclosures**” means the material facts released to the market on June 14, 2024, July 22, 2024, and August 7, 2024;

(n) **“Rajchel”** means Defendant Tobias Rajchel; and

(o) “**SRCF**” means Chesswood’s syndicated revolving credit facility.

CAUSES OF ACTION

2. The causes of action asserted by the Plaintiff, on behalf of it and the Classes in this proceeding, are:

(a) Common law secondary market misrepresentations; and,

(b) If Part XXIII.1, s. 138.8 of the *OSA* is granted, statutory secondary market negligent misrepresentations, pursuant to Part XXIII.1, s. 138.3 of the *OSA*.

RELIEF CLAIMED

3. The Plaintiff claims on his own behalf and on behalf of the members of the Class, subject to further disclosures, discovery and due diligence:

(a) an order pursuant to s. 5 of the *CPA* certifying this action as a class proceeding and appointing him as the representative plaintiff for the Class advancing the causes of action identified herein;

(b) a declaration that the Impugned Documents released by the Defendants contained misrepresentations related to the Company's business, operations and finances because the documents omitted material facts;

(c) subject to common law and Part XXIII.1 of the *OSA*, damages in a sum to be determined, or such other sum as this Court finds appropriate at the trial of the common issues or at a reference or references;

(d) an order directing a reference or giving such other directions as may be necessary to determine issues not determined in the trial of the common issues;

(e) prejudgment and post-judgment interest, compounded, or pursuant to ss. 128 and 129 of the *CJA*;

(f) costs of this action on a full indemnity scale, or in an amount that provides substantial indemnity, plus, pursuant to s. 26(9) of the *CPA*, the costs of administering the plan of distribution of the recovery in this action; and

(g) such further and other relief that this Honourable Court deems just.

NATURE OF THIS ACTION

4. Chesswood is an Ontario corporation and a responsible issuer under the *OSA* that is publicly traded. Chesswood reports itself as a holding company whose subsidiaries engage in the business of specialty finance (including equipment finance throughout North America, vehicle finance in Canada, and legal sector finance in Canada), as well as the origination and management of private credit alternatives for North American investors.

5. Prior to the Class Period, Chesswood entered into the SRCF, which included numerous Debt Covenants. The total mix of information to the market was that the access to capital from the SRCF was materially important to Chesswood. Prior to and during the Class Period, Chesswood amended the terms of the SRCF multiple times.

6. During the Class Period, Chesswood published material fact news that its business operations and financials were doing well, that it was in compliance with the SRCF's Debt Covenants, and that investors could rely upon its published financial statements and MD&As as being accurate.

7. However, and reflected by the Public Corrective Disclosures, Chesswood negligently reported that these topics were accurate as reflected by its own admissions that investors should no longer rely upon its financial records, that it would be required to restate its financial records relating to multiple financial measures, and that it no longer had the ability to complete its current financial statements.

8. On June 14, 2024, Chesswood reported an ambiguous statement that it was in breach of its minimum borrowing base debt covenant associated with its SRCF, being forced to sell assets, but that investors could still rely upon its previously released financial statements. The

market impact of this public corrective disclosure caused the price of Chesswood's shares to diminish from $7.49 down to $3.75, or a drop of approximately 50%.

9. On July 22, 2024, Chesswood released a statement that it would need to restate its Q1 2024 financial statements and MD&A as they related to its SRCF, the breach of the debt covenants, write-downs of intangibles and goodwill as well as long-lived assets and tax assets, the suspension of borrowing capacity and originations by its subsidiaries Pawnee Leasing Corporation and Rifco, and implicitly reported that it still could not file its continuous disclosure core documents for the period for Q2 2024. The market impact of this negative material fact news was harsh and immediate on the price for Chesswood's securities, sending Chesswood's share price from $2.81 to $2.66, which continued to fall through the next day down to $2.35.

10. On August 7, 2024, Chesswood supplemented its prior statement by advising the markets that it would restate its Q1 2024 and F/2023 audited annual financial statements. The market impact of this negative material fact news was harsh and immediate on the price for Chesswood's securities, sending Chesswood's share price from $3.64 to $3.13, which continued to fall through the next day down to $2.72.

11. By August 15, 2024, however, Chesswood's securities closed at $0.90, Chesswood was without the ability to release financial statements, and had been forced to sell substantial assets to HB Leaseco Holdings Ltd. (a company affiliated with one of Chesswood's directors).

12. As of September 3, 2024, the Ontario Securities Commission revoked Chesswood's ability to allow secondary market trading of its securities and Chesswood has ceased providing continuous disclosures to the markets.

13. The Plaintiff and putative Classes suffered a foreseeable economic loss from the market impact of the Public Corrective Disclosures which contradicted the previous material fact statements as described within the Impugned Documents and from the destruction of the corporation's goodwill, as described below.

THE PLAINTIFF

14. The Plaintiff is located in the province of Alberta. Prior to and during the Class Period he relied upon the Company's core and non-core documents. During the Class Period, the Plaintiff purchased shares of Chesswood on August 9, 2023, and June 20, 2024. He still owns 707 shares because of the halt-trading order.

15. The Plaintiff:

(a) has disclosed a cause of action for common law negligent misrepresentations seeking damages for (i) purchasing shares at artificially high prices during the Class Period; and (ii) purchasing shares at any time and holding them after the date that the Defendants' released statements that artificially inflated the price of Chesswood's shares;

(b) in good-faith believes that there are more than several similarly situated investors like him, i.e., that purchased Chesswood's shares at artificially high prices and/or held said shares during a period prior to the release of the Public Corrective Disclosures but were not informed by Chesswood of all the material facts relating to the breach of the Debt Covenants and suffered an economic injury;

(c) in good-faith believes that he shares the same common issues as other similarly situated investors;

(d) in good-faith believes that a class proceeding would be the preferable procedure for the resolution of the common issues, and specifically, for the Canadian, causes of action advanced herein, especially when Chesswood was formed under the OBCA, is located in Ontario and markets itself to investors as being an Ontario responsible issuer; and

(e) in good-faith retained Class Counsel who are experienced in Canadian and U.S. shareholder class action litigation that can adequately represent him and the putative members of the Classes, can produce the same type of Litigation Plan in other similar shareholder class actions; and does not believe that there are any conflicts of interest with the putative members of the Classes.

THE DEFENDANTS

Chesswood Group Limited

16. Chesswood is an Ontario incorporated and Toronto based holding company whose subsidiaries engage in the business of specialty finance (including equipment finance throughout North America, vehicle finance in Canada, and legal sector finance in Canada), as well as the origination and management of private credit alternatives for North American investors under the brands and/or subsidiaries: (a) Pawnee Leasing Corporation (U.S. market); (b) Tandem Financial Inc. (U.S. market); (c) Vault Credit Corp. (Canadian small-medium business market); (d) Vault Home Credit Corp. (Canadian consumer market); (e) Waypoint Investment Partners Inc., Chesswood Capital Management Inc., and Chesswood Capital Management USA Inc. (credit alternatives and factoring); (f) Rifco National Auto Finance Corp. (Canadian auto loans); and, (e) Easy Legal (loans relating to the Canadian medical and legal industries).

17. Chesswood is a reporting issuer for purposes of Ontario securities laws and subject to the continuous disclosure requirements of the *OSA* and Part XXIII.1 of the OSA; its head office is located at 1133 Yonge Street, Suite 603, Toronto, Ontario, M4T 2Y7.

18. Chesswood's common shares, which have a CUSIP identifier number of 50202P, were listed under the ticker symbol "CHW" on the TSX, "Y30.F" on the FRA, and "CHWWF" on the U.S. over-the-counter market.

19. In its 2023 Annual Report, Chesswood reported that it had 18,309,104 common shares outstanding excluding the shares issuable in exchange for 1,274,601 Class B common shares and 203,936 Class C common shares of Chesswood U.S. Acquisitionco Ltd. issued as partial consideration for the acquisition of Pawnee Leasing Corporation, and which are fully exchangeable at any time for Chesswood's common shares.

20. Chesswood relied upon Ernst & Young LLP ("**E&Y**") as its independent auditor, which on March 14, 2024, certified that it audited the consolidated financial statements for 2022 and 2023. E&Y reported that Chesswood's consolidated financial statements present fairly, in all material respects, the consolidated financial position of Chesswood as of December 31, 2023 and in accordance with International Financial Reporting Standards. E&Y's opinion, however, was incorrect because Chesswood negligently reported its books and records to it.

Ryan Marr

21. Marr served as Chesswood's President and CEO at all relevant times and abruptly resigned on July 8, 2024. In this position he had, or should have had, access to all material fact information about: (i) the status of the Debt Covenants and (ii) whether Chesswood was in compliance with all Debt Covenants. Marr had or should have been able to ensure that

Chesswood did not incorrectly report that it was in compliance with all Debt Covenants when it was not, or that it had received waivers of breach(es) of the Debt Covenants from all parties.

22. Marr signed certifications accompanying each of the Company's quarterly filings throughout the Class Period which stated that the financial statements and MD&A were fairly stated and did not contain any untrue statements of material fact, when in fact they did.

Tobias Rajchel

23. Rajchel served as Chesswood's CFO at all relevant times. In this position he had, or should have had, access to all material fact information about: (i) the status of the Debt Covenants and (ii) whether Chesswood was in compliance with all Debt Covenants. Rajchel had or should have been able to ensure that Chesswood did not incorrectly report whether it was in compliance with all Debt Covenants, or that it had received waivers of breach of the Debt Covenants from all parties.

24. Rajchel signed certifications accompanying each of the Company's quarterly filings throughout the Class Period which stated that the financial statements and MD&A were fairly stated and did not contain any untrue statements of material fact, when in fact they did.

THE TOTAL MIX OF INFORMATION

25. On **March 16, 2023**, Chesswood released its F/2022 audited annual financial statements, MD&A, and other core documents, including NI 52-109s, affirming that:

(a) On January 14, 2022, Chesswood renegotiated its SRCF to allow borrowings of up to US$300 million. Chesswood exercised the accordion feature under this revolving credit facility in Q4 2022, which expanded its capacity further to US$386.7 million;

(b) The SRCF was secured by the Company's (and most of its subsidiaries') assets, contains covenants including maintaining leverage and interest coverage ratios, and expires on January 14, 2025;

(c) This SRCF allows Chesswood to internally manage the allocation of capital to its financial services businesses in Canada and the United States. The credit facility supports growth in finance receivables, provides for Chesswood's working capital needs, and for general corporate purposes. The facility, available in U.S. dollars or Canadian dollars, also improves the Company's financial flexibility by centralizing treasury management and making the provision of capital to individual businesses more efficient; and

(d) Chesswood was not in breach of any debt covenants and enjoyed substantial intangible and goodwill as well as long-lived assets and deferred tax assets.

26. On **May 9, 2023**, Chesswood updated the total mix of information to the market about its capital, financials, and operations by releasing its Q1 2023 financial statements, MD&A, and other core documents, including NI 52-109s, affirming that:

(a) Intangible assets totalled $30.4 million as at March 31, 2023;

(b) Goodwill totalled $48.1 million as at March 31, 2023;

(c) The Company's deferred tax assets increased by $0.6 million to $7.9 million; and

(d) Chesswood was not in breach of any debt covenants and enjoyed substantial intangible and goodwill as well as long-lived assets and deferred tax assets.

27. Through the final Public Corrective Disclosure, Chesswood reported that it may need to restate its F/2023 audited financial statements without ever disclosing any further information about this topic as of the date of the filing of this pleading.

28. On **August 8, 2023**, Chesswood updated the total mix of information to the market about its capital, financials, and operations by releasing its Q2 2023 financial statements, MD&A, and other core documents, including NI 52-109s, affirming that:

(a) Intangible assets totalled $29.6 million as at June, 2023;

(b) Goodwill totalled $47.8 million as at June 30, 2023;

(c) The Company's deferred tax assets decreased to $2.5 million; and

(d) Chesswood was not in breach of any debt covenants and enjoyed substantial intangible and goodwill as well as long-lived assets and deferred tax assets.

29. Through the final Public Corrective Disclosure, Chesswood reported that it may need to restate its F/2023 audited financial statements without ever disclosing any further information about this topic as of the date of the filing of this pleading.

30. On **November 6, 2023**, Chesswood updated the total mix of information to the market about its capital, financials, and operations by releasing its Q3 2023 financial statements, MD&A, and other core documents, including NI 52-109s, affirming that:

(a) Intangible assets totalled $29.1 million as at September 30, 2023;

(b) Goodwill totalled $48.1 million as at September 30, 2023;

(c) The Company's deferred tax assets decreased to $3.3 million; and

(d) Chesswood was not in breach of any debt covenants and enjoyed substantial intangible and goodwill as well as long-lived assets and deferred tax assets.

31. Through the final Public Corrective Disclosure, Chesswood reported that it may need to restate its F/2023 audited financial statements without ever disclosing any further information about this topic as of the date of the filing of this pleading.

32. On **January 22, 2024**, Chesswood updated the total mix of information to the market about its capital, financials and operations by releasing a statement that it had created a Special Committee to evaluate its business, and soon after announced that it hired a prominent law firm and an investment bank in Toronto to assist.

33. The Plaintiff alleges that Chesswood negligently reported this information and, in fact, certain of the RSCF debt and financial covenants were already in breach at this time.

34. On **March 14, 2024**, Chesswood updated the total mix of information to the market about its capital, financials, and operations by releasing its F/2023 audited financial statements, MD&A, and other core documents, including NI-52-109s, affirming that:

(a) Intangible assets totalled $20.1 million as at December 31, 2023;

(b) Goodwill totalled $33.5 million as at December 31, 2023;

(c) The Company's deferred tax assets decreased to $12 million; and

(d) Was not in breach of any debt covenants and enjoyed substantial intangible and goodwill as well as long-lived assets and deferred tax assets.

35. Through the final Public Corrective Disclosure, Chesswood reported that it may need to restate its F/2023 audited financial statements without ever disclosing any further information about this topic as of the date of the filing of this pleading.

36. On **May 8, 2024**, Chesswood updated the total mix of information to the market about its capital, financials, and operations by releasing its Q1 2024 financial statements, MD&A, and other core documents, including NI-52-109s, affirming that:

(a) Intangible assets totalled $19.9 million as of March 30, 2024;

(b) Goodwill totalled $33.5 million as of March 30, 2024;

(c) The Company's deferred tax assets increased to $12 million; and

(d) Chesswood was not in breach of any debt covenants and enjoyed substantial intangible and goodwill as well as long-lived assets and deferred tax assets.

37. Through the final Public Corrective Disclosure, Chesswood reported that it may need to restate its Q1 2024 financial statements without ever disclosing any further information about this topic as of the date of the filing of this pleading.

THE PUBLIC CORRECTIVE DISCLOSURES

38. On **June 14, 2024**, Chesswood released a statement that contrary to representations made earlier in the year, it was still in breach of debt covenants associated with its $300 million SRCF. Chesswood also reported that this would not affect the calculation of its receivables or other assets reported in its previously published core documents; but this was a misrepresentation as the market would learn a month later.

39. The market impact of this negative material fact news was harsh and immediate on the price for Chesswood’s securities; sending Chesswood’s share price from $7.49 to $3.75.

40. On **July 22, 2024**, before the market opened, Chesswood released a statement that it would need to restate its 1Q 2024 financial statements and MD&A as a result of its previously disclosed errors in calculating its borrowing base for the purposes of its SRCF and would be required to:

(a) Write down goodwill and intangible assets by material amounts;

(b) Write down deferred tax assets and liability by material amounts;

(c) Disclose that it was not in compliance with the SRCF’s Debt Covenants; and

(d) Disclose that it would have a going concern warning.

41. For savvy investors this negative news implicitly reported that it still could not file its continuous disclosure core documents for the period of 1Q and 2Q 2024.

42. The market impact of this negative material fact news was harsh and immediate on the price for Chesswood's securities; sending Chesswood's share price from $2.81 to $2.66, which continued to fall through the next day down to $2.35. Over the course of the following ten (10) days, Chesswood's share price dropped from $2.66 to $1.67.

43. On **July 30, 2024**, Chesswood announced that Daniel Wittlin was resigning as director of Chesswood, effectively immediately, in part, to allow him to manage his potential conflict of interest with Chesswood due to his association with HB Leaseco Holdings Ltd.

44. On **August 6, 2024**, Chesswood announced that due to the defaults, it would be forced to sell its financial interests in Vault Credit, Vault Home, and certain portfolio receivables of Pawnee Leasing. It also announced that it received notice that it was in default of another securitized facility agreement (but omitted to disclose which).

45. On **August 7, 2024**, Chesswood announced that it would not be able to release its 2Q 2024 financial statements and MD&A, that it was investigating whether it would also restate its F/2023 financial statements, and that it's securities would be subject to a failure to file cease trade order, i.e., the securities ceased trading and there is no longer a public market for these securities.

46. On **August 9, 2024**, Chesswood announced that it was selling its interests in Vault Credit, Vault Home, and certain portfolio receivables of Pawnee Leasing to HB Leaseco Holdings Ltd., (i.e., Daniel Wittlin's company).

47. On **August 16, 2024**, Chesswood's securities became subject to a failure to file cease trade order, i.e., the securities ceased trading and there is no longer a public market for these securities.

48. Chesswood has ceased providing continuous disclosure statements to the markets and, in Canada, its securities are a value of $0.00; and in the United States the value is $0.18 as of the date of this Pleading.

COMMON LAW

49. The directors owed a duty of care to the Class Members based upon a special relationship by certifying certain of the Impugned Documents did not contain misrepresentations to the members of the Class and be seeking members of the Classes' vote as a director of the Defendant's directors.

50. The Plaintiff relied upon the material fact statements within the Impugned Documents and in other related non-core documents/statements released on SEDAR in making a decision to purchase the Defendant's securities and to hold all of those securities until the release of the Public Corrective Disclosures.

51. It was reasonable for members of the Class to rely upon the Defendant's core documents in making a decision to invest as reflected by the act of purchasing the Defendant's securities and the belief that the price or value of the Defendant's securities would go up in price or value and continue to pay dividends.

52. The Impugned Documents contain misrepresentations of material fact.

53. The Defendant, i.e., through its directors and officers, breached the applicable standard of care as set out above by either: negligently monitoring and reporting on the Debt Covenants

necessitating a restatement of its financial statements; or having the accurate material facts but negligently reporting the material facts within the Impugned Documents and statements by:

(a) omitting the material fact terms and conditions of the Debt Covenants associated with the SRCF and any other credit facility that was linked thereto by way of cross-default situations;

(b) omitting the material facts arising at some point during the Class Period and which were publicly corrected on June 14 and July 22, 2024, to be determined during discovery, concerning the status and the non-compliance of the Company and the Debt Covenants;

(c) misrepresenting that the Company's financial statements could be relied upon; and

(d) omitting to disclose the material facts why Defendant Marr abruptly resigned.

54. The Plaintiff and members of the Class suffered a direct and foreseeable economic injury by purchasing the Defendant's securities at a time when the investment price and value was artificially inflated, and holding all or some of the artificially priced securities until after the Defendant released the Public Corrective Disclosures.

ONTARIO SECURITIES ACT

55. Under the guidelines of the OSA, Chesswood is a responsible issue and subject to the continuous disclosure requirements of the OSA.

56. Under the guidelines of the OSA, the Individual Defendants were Influential Persons and Directors and Officers of Chesswood.

57. Under the guidelines of the OSA, Daniel Wittlin was an Influential Person and Director and Officer of Chesswood.

58. Under the guidelines of the OSA, E&Y was the auditor of Chesswood that reported that Chesswood's F/2023 financial statements fairly represented Chesswood's consolidated financial position for annual 2022 and 2023.

59. Subject to s. 138.8 of the OSA, the Plaintiff will advance the s. 138.3 of the OSA cause of action.

60. Subject to disclosures or discovery, the Plaintiff may invoke s. 138.7(2) of the OSA.

REAL AND SUBSTANTIAL CONNECTION WITH ONTARIO

61. The Plaintiff pleads that this action has a real and substantial connection with Ontario and for the application of Ontario substantive and procedural laws on behalf of all Class Members for the following non-exhaustive reasons:

(a) Chesswood is a reporting issuer in Ontario, incorporated pursuant to the OBCA, and is headquartered in the city of Toronto, Ontario;

(b) The Plaintiff purchased shares of Chesswood in Toronto on the Toronto Stock Exchange;

(c) Chesswood's auditor is located in Toronto, Ontario;

(d) Likely, the relevant directors and officers' insurance policy to finance the defense of this litigation is based in Ontario; and

(e) The causes of action advanced herein could not be advanced in any known jurisdiction, globally.

RELEVANT LEGISLATION, PLACE OF TRIAL AND JURY TRIAL

62. The Plaintiff pleads and relies upon the *CJA*, *CPA*, *OBCA*, *OSA*, as well as the Alberta *Securities Act*.

63. The Plaintiff proposes that this action be tried in the City of Toronto, in the Province of Ontario, as a proceeding under the *CPA*.

64. The Plaintiff may serve a jury notice.

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330 Bay Street, Suite 1302
Toronto, ON M5S 2S8
Tel: (647) 576-7840, ext. 1

Andrew Morganti (LSO#: 57895E)
amorganti@bm.net

Lawyer for the Plaintiff

Court File No.:

SHANE MCCORMICK and **CHESSWOOD GROUP LTD. et al.**
Plaintiff Defendants

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDINGS COMMENCED AT **TORONTO**

STATEMENT OF CLAIM

BERGER MONTAGUE (CANADA) PC
330 Bay Street, Suite 505
Toronto, Ontario, M5H 2S8
Tel: (647) 576-7840, ext. 1

Andrew Morganti (LSO# 57895E)
amorganti@bm.net

Lawyers for the Plaintiff

THIS IS **EXHIBIT "B"**
Referred to in the Affidavit of
DANIEL PALLAG, sworn before me this 6th day
of July 2026.

A Commissioner for Taking Affidavits
JONATHAN BRADFORD
(LSO# 82632P)

Court File No.: CV-24-00729269-00CP

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N

SHANE MCCORMICK

Plaintiff

- and -

CHESSWOOD GROUP LTD., RYAN MARR, and TOBIAS RAJCHEL

Defendants

Proceeding under the *Class Proceedings Act, 1992*

NOTICE OF MOTION

(*Motion for leave to proceed under s. 138.8 of the OSA and certification pursuant to s. 5 of the CPA*)

THE PLAINTIFF will make a motion to the Honourable Justice Leiper returnable at the earliest available date at the courthouse at 130 Queen St. West Toronto, Ontario M5H 2N5.

PROPOSED METHOD OF HEARING: The motion is to be heard:

[ ] In writing under subrule 37.12.1 (1) because it is (insert one of on consent, unopposed or made without notice);

[ ] In writing as an opposed motion under subrule 37.12.1 (4);

[X] In person;

[ ] By telephone conference;

[ ] By video conference;

THE MOTION IS FOR:

1. An Order:

(a) incorporating and adopting the definitions set out in the Statement of Claim issued October 11, 2024, and the draft Fresh as Amended Statement of Claim (the "**Claim**") except as otherwise stated;

(b) granting leave of the Court to commence an action under section 138.3 of the *Securities Act*, R.S.O. 1990, c. S.5 ("***OSA***") and, if necessary, under the concordant provisions of the other provincial and territorial securities statutes (the "**Equivalent Securities Acts**"), to all beneficial owner entities and persons, other than Excluded Persons (as defined in the Claim) who acquired Chesswood's common shares between May 9, 2023 and August 7, 2024, inclusive (the "**Class Period**"), and held some or all of those common shares until after the release of at least one of the Public Corrective Disclosures, because:

i. the action is being brought in good faith; and

ii. there is a reasonable possibility that the action will be resolved at trial in favour of the Plaintiff, because each of the impugned documents in the Claim contained misrepresentations by omitting material facts relating to Chesswood's business, operations and finances;

(c) Certifying this action as a class proceeding pursuant to s. 5 of the *Class Proceedings Act, 1992*, S.O. 1992, c 6 ("***CPA***");

(d) Defining the Classes as:

i. "**Class (Common Law)**": all Canadian beneficial owner entities and persons, other than Excluded Persons, who acquired Chesswood's common shares and who held some or all of those common shares until after the release of at least one of the Public Corrective Disclosures;

ii. "**Class (*OSA* Statutory)**": all beneficial owner entities and persons, other than Excluded Persons, who acquired Chesswood's common shares during the Class Period and who held some or all of those common shares until after the release of at least one of the Public Corrective Disclosures;

In the above Class definitions:

"**Public Corrective Disclosures**" means the material facts released to the market on June 14, 2024; July 22, 2024; and August 7, 2024;

"**Class Period**" means the period from May 9, 2023 to August 7, 2024, inclusive;

"**Excluded Persons**" means any of the Defendants, their executives, family members and business partners during the Class Period, and any business entities in which any family member of the Individual Defendants had a controlling interest during the Class Period, including Daniel Wittlin and HB Leaseco Holdings Inc;

(e) Appointing Shane McCormick as the representative plaintiff for the Classes;

(f) Setting out the nature of the claims asserted against the Defendants on behalf of the Plaintiff and Class Members as:

i. Common law secondary market misrepresentations; and

ii. Statutory secondary market misrepresentations under Part XXIII.1 of the *OSA*, if leave to proceed is granted;

(g) Setting out the relief sought against the Defendants on behalf of the Plaintiff and Class Members as being statutory, common law, equitable and/or exemplary damages in an amount to be determined, or such other sum as this Court finds appropriate at the trial of the common issues or at a reference or references;

(h) Certifying the common issues as set out in **Schedule A**, attached hereto;

(i) Approving the Litigation Plan, Notice of Certification, Press Release and Opt-Out Form attached to the Affidavit of Jonathan Bradford sworn March 27, 2026, as the manner in which the Plaintiff intends to conduct the action;

(j) Declaring that Class Members shall be given notice of the certification of this action as a class proceeding pursuant to the Litigation Plan, and approving the Litigation Plan as adequate notice to all Class Members pursuant to s. 17 of the *CPA*;

(k) Declaring that Class Members may opt-out of the Classes by completing the Opt-Out Form and sending it to Class Counsel at 330 Bay Street, Suite 505, Toronto ON, M5H 2S8, or by email to canadainfo@bergermontague.com within 60 days of the date of the Order (the "**Opt-out Deadline**"). If the Opt-out Form is sent by regular mail, it will only be valid if it is postmarked with a date being 60 days from the date of the Opt-out Deadline. Otherwise, the Opt-out Form will only be valid if it is received by Class Counsel no later than the Opt-out Deadline. After the Opt-out Deadline, Class Members may opt-out of the Class only with leave of the Court;

(l) Ordering that the Defendants shall pay for the costs of the dissemination and administration of the certification notice and the opt-out procedure under the *CPA*;

(m) Costs of this motion, fixed and payable forthwith; and,

(n) Such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THIS MOTION ARE:

Background

2. This is a putative securities class action against Chesswood Group Ltd. ("**Chesswood**"), Ryan Marr ("**Marr**"), and Tobias Rajchel ("**Rajchel**").
3. Chesswood was an Ontario based holding company whose subsidiaries engaged in the business of specialty finance and private credit alternatives for investors, including equipment finance throughout the United States and Canada, and vehicle, legal sector, and home improvement and other consumer financing in Canada.
4. Chesswood was a responsible issuer, as defined in s. 1(1) of the *OSA*.
5. Marr was Chesswood's President and CEO during the Class Period until he resigned on July 8, 2024. Rajchel was Chesswood's CFO during the Class Period until July 8, 2024, when he was named President and CEO. Marr and Rajchel signed certifications accompanying Chesswood's quarterly filings which stated that said documents were fairly

stated and did not contain any untrue statements of material fact. Marr and Rajchel were Influential Persons and Directors and Officers of Chesswood.

6. During the Class Period, Chesswood's common shares were listed under the ticker symbol "CHW" on the TSX, "Y3O.F" on the Frankfurt Stock Exchange and "CHWWF" on the U.S. over-the-counter market. In its 2023 Annual Report, Chesswood reported that it had 18,309,104 common shares outstanding excluding the shares issuable in exchange for 1,274,601 Class B common shares and 203,936 Class C common shares.
7. On January 14, 2022, Chesswood entered into a syndicated revolving credit facility ("**SRCF**"). The secured lenders of the SRCF to Chesswood were Royal Bank of Canada, The Toronto-Dominion Bank, The Huntington National Bank, M&T Bank, Canadian Imperial Bank of Commerce, and Laurentian Bank of Canada (the "**Lenders**").
8. The SRCF established a revolving facility in the maximum principal amount of US$300 million. Chesswood reported to the market that the access to capital from the SRCF was materially important to it.
9. Chesswood was required to maintain compliance with the Debt Covenants under the SRCF, including the regular requirement for Chesswood to deliver a certificate setting out the current Borrowing Base.
10. The Borrowing Base represented the value of a predefined set of assets held by certain Chesswood subsidiaries at a given time. The Borrowing Base only included assets that met the predefined eligibility criteria set out in the SRCF. Assets must have been held by, or

proprietary to, Chesswood to be included in the Borrowing Base and assets that were sold or securitized by Chesswood could not be included in the Borrowing Base.

11. During the Class Period, Chesswood published material fact news that its business operations and financials were doing well, that it was in compliance with the SRCF's Debt Covenants, and that investors could rely upon its published financial statements and MD&As as being accurate.

12. On May 9, 2023, Chesswood updated the total mix of information to the market about its capital, financials, and operations by releasing its Q1 2023 financial statements, MD&A, and other core documents, including NI 52-109s, affirming that:

(a) Intangible assets totalled $30.4 million as at March 31, 2023;

(b) Goodwill totalled $48.1 million as at March 31, 2023;

(c) The Company's deferred tax assets increased by $0.6 million to $7.9 million; and

(d) Chesswood was not in breach of any debt covenants and enjoyed substantial intangible and goodwill as well as long-lived assets and deferred tax assets.

13. On August 8, 2023 and November 6, 2023, Chesswood updated the total mix of information to the market about its capital, financials, and operations by releasing its Q2 2023 financial statements, MD&A, and other core documents, including NI 52-109s. Through these documents, Chesswood reported, *inter alia*, that it had substantial intangible assets, goodwill and deferred tax assets, that investors could rely on their published financial documents, and that it was not in breach of any of the Debt Covenants.

14. On January 22, 2024, Chesswood updated the total mix of information to the market about its capital, financials and operations by releasing a statement that it had created a special committee of its directors to evaluate its business, initiating a review of strategic alternatives that may include the sale of certain assets, a wind down of portfolios as well as other options. By March 28, 2024, Chesswood had announced that it had hired a prominent law firm and an investment bank in Toronto to assist.
15. On March 14, 2024 and May 8, 2024, Chesswood updated the total mix of information to the market about its capital, financials, and operations by releasing its F/2023 audited financial statements, MD&A, and other core documents, including NI-52-109s. Through these documents, Chesswood reported, *inter alia*, that it had substantial intangible assets, goodwill and deferred tax assets, that investors could rely on their published financial documents, and that it was not in breach of any of the Debt Covenants.
16. In May of 2024, both the administrative agent and the collateral agent for the Lenders, the Royal Bank of Canada, discovered the borrowing base deficiency and that Chesswood was in breach of its Debt Covenants. The Lenders allege that errors in the Borrowing base began in at least December 2022.

The Public Corrective Disclosures

17. On June 14, 2024, Chesswood released a statement that contrary to representations made earlier in the year, it was in breach of debt covenants associated with its $300 million SRCF.

18. The market impact of this negative material fact news was harsh and immediate on the price for Chesswood's securities; sending Chesswood's share price from $7.49 to $3.75.

19. On July 22, 2024, before the market opened, Chesswood released a statement that it would need to restate its 1Q 2024 financial statements and MD&A as a result of its previously disclosed errors in calculating its borrowing base for the purposes of its SRCF and that it expected the restatements to:

    (a) write down goodwill and intangible assets by material amounts;

    (b) write down deferred tax assets and liability by material amounts;

    (c) disclose that it was not in compliance with the SRCF's Debt Covenants; and

    (d) disclose that it would have a going concern warning.

20. The market impact of this negative material fact news was harsh and immediate on the price for Chesswood's securities; sending Chesswood's share price from $2.81 to $2.66, which continued to fall through the next day down to $2.35. Over the course of the following ten (10) days, Chesswood's share price dropped from $2.66 to $1.67.

21. On August 7, 2024, Chesswood announced that it would not be able to release its 2Q 2024 financial statements and MD&A, that it was investigating whether it would also restate its F/2023 financial statements, and that its securities would be subject to a failure to file cease trade order.

22. The market impact of this Public Corrective Disclosure was harsh and immediate on the price for Chesswood's securities, sending Chesswood's share price from $1.81 to $1.67.

Post Class Period

23. On August 15, 2024, the Ontario Securities Commission issued a failure to file cease trade order against Chesswood.

24. On October 30, 2024, Chesswood announced that on application from the agent for its syndicate of lenders under the SRCF, it had become subject to creditor protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA Proceeding**"). The Initial Order in the CCAA Proceeding granted a stay of litigation against or in respect of Chesswood.

25. On November 7, 2024, the Court in the CCAA Proceeding granted an order amending the Initial Order which, among other things extended the stay period (the "**Amended and Restated Initial Order**"). The Amended and Restated Initial Order provides that the stay of litigation applies not only to claims against Chesswood, but also to any claim against any of the former, current or future directors or officers of the Chesswood.

26. Following the issuance of the Amended and Restated Initial Order, Chesswood and the Monitor in the CCAA Proceeding engaged in an extensive marketing of Chesswood's assets. These efforts resulted in the sale of substantially all of the assets of Chesswood. During this time, the stay period was extended several times by orders of Court in the CCAA Proceeding.

27. At the conclusion of the CCAA Proceeding, Chesswood has no material assets and no operating businesses remaining. Chesswood's common shares are at a value of $0.00 in Canada.

The Plaintiff

28. The Plaintiff lives in Edmonton, Alberta.

29. At the start of the Class Period, the Plaintiff owned 291 common shares of Chesswood.

30. During the Class Period, the Plaintiff purchased Chesswood's common shares on five occasions. On May 12, 2023, he purchased 102 common shares of Chesswood for $873.12. On May 16, 2023, he purchased 27 common shares of Chesswood for $214.65. On June 14, 2023, he purchased 14 common shares of Chesswood for $113.12. On August 9, 2023, he purchased 23 common shares of Chesswood for $176.41. On June 20, 2024, he purchased 250 common shares of Chesswood for $872.50.

31. The Plaintiff did not sell any common shares of Chesswood during the Class Period. At the end of the Class Period, he owned 707 common shares of Chesswood.

32. The Plaintiff suffered a foreseeable economic loss from the market impact of the Public Corrective Disclosures.

33. This action is brought in good faith.

34. There is a reasonable possibility that the claims advanced under Part XXIII.1 of the *OSA* will be resolved at trial in favour of the Plaintiff.

35. The Equivalent Securities Acts contain provisions that are substantially similar to the provisions found under Part XXIII.1 of the *OSA*.

36. The Claim discloses one or more causes of action against the Defendants.

37. There is an identifiable class of two or more persons who would be represented by the Plaintiff.

38. The claims of the prospective Class Members raise common issues.

39. A class proceeding is the preferable procedure for the fair and efficient resolution of the common issues as it is superior to all reasonably available means of determining the entitlement of the Class Members to relief and addressing the impugned conduct of the Defendants, and there are questions of fact or law common to the Classes that predominate over any questions affecting only individual Class Members.

40. The proposed representative Plaintiff, Shane McCormick:

    a. Will fairly and adequately represent the interests of the Classes;

    b. Has produced a Litigation Plan for the proceeding as attached to the Affidavit of Jonathan Bradford sworn March 27, 2026 that sets out a workable method of advancing the proceeding on behalf of the Classes and of notifying Class Members of the proceeding; and,

    c. Does not have, on the proposed Common Issues, an interest in conflict with the interests of other Class Members.

41. The *OSA*, including sections 1, 138.1, 138.3, 138.4, 138.5, 138.6, 138.7, 138.8, 138.9, 138.11, 138.13, and 138.14;

42. The *Securities Act*, RSA 2000, c. S-4, s. 211.03; *Securities Act*, SNB 2004, c. S-5, s. 161.2; *Securities Act*, CCSM, c. S50, s. 176; *Securities Act*, RSBC 1996, c. 418, s. 140.3; *Securities Act*, 1988, SS 1988-89, c. S-42.2, s. 136.11; *Securities Act*, RSNS 1989, c. 418, s. 146C; *Securities Act*, RSNL 1990, c. S-13, s. 38.3; *Securities Act*, RSPEI 1988, c. S-3.1, s. 124; *Securities Act*, RSQ, c. V-1.1, ss. 225.8, 225.9, 225.10, and 225.11;

Securities Act, SNWT 2008, c. 10, s. 124; *Consolidation of Securities Act*, S. Nu. 2008, c. 12, s. 124, and *Securities Act*, SY 2007, c. 16, s. 124, as amended;

43. The *CPA*, including sections 2, 5, 8, 9, 12, 17, 19, 20, 21 and 22;
44. The *Courts of Justice Act,* R.S.O. 1990, c. C.43, as amended;
45. The *Rules of Civil Procedure* (R.R.O. 1990, Reg. 194), including rules 1.04(1), 2, 12, 37, and 57; and,
46. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. The Affidavit of Shane McCormick, sworn March 27, 2026, and the exhibits appended thereto;
2. The Affidavit of Daniel Pallag, sworn March 27, 2026, and the exhibits appended thereto;
3. The Affidavit of Jonathan Bradford, sworn March 27, 2026, and the exhibits appended thereto;
4. The Affidavit of Gregg Edwards, to be sworn, and,
5. Such further and other evidence as counsel may advise and this Honourable Court may permit.

March 27, 2026

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Jonathan Bradford (LSO #82632P)
jbradford@bergermontague.com

Lawyers for the Plaintiff

Schedule "A" – Common Issues

Common Issues (Common Law Class)

i. Was there a duty of care created between the Defendants and a Class Member once said Class Member relied upon Chesswood's continuous disclosure statements to acquire or continue to hold Chesswood's securities?

ii. In certifying that Chesswood's continuous disclosure statements did not contain misrepresentations, was there a duty of care created between Ryan Marr and/or Tobias Rajchel (the "**Individual Defendants**") and a Class Member once said Class Member relied upon Chesswood's continuous disclosure to acquire or continue to hold Chesswood's securities, when such disclosure statements were certified by the Individuals Defendants as not containing misrepresentations?

iii. Did the Impugned Documents released on May 9, 2023; August 8, 2023; November 6, 2023; January 22, 2024; March 14, 2024; and/or May 8, 2024, contain misrepresentations concerning Chesswood's business, operations and finances?

iv. Did Chesswood breach its duty of care to the Class Member by releasing the Impugned Documents when each Impugned Document contained one or more misrepresentation?

v. Did the Individual Defendants breach their duty of care to the Class Member by certifying that the Impugned Documents did not contain misrepresentations?

vi. Did the Class Member reasonably rely upon Chesswood to release its continuous disclosure documents on SEDAR and/or SEDAR+ free from misrepresentations?

vii. Is the act of purchasing Chesswood's securities listed on a public stock exchange evidence of the Class Member's reliance that the published price of Chesswood's securities accurately reflected all the material facts about Chesswood's business, operations and finances?

viii. Is the act of holding Chesswood's securities listed on a public stock exchange after Chesswood released the Impugned Documents containing the alleged misrepresentations evidence of the Class Member's reliance that the published price of Chesswood's securities accurately reflected all the material facts of Chesswood's business, operations and finances?

ix. Did the Class Member purchase Chesswood's securities at an artificially inflated price because the Impugned Documents contained misrepresentations?

x. Were one or more of the alleged misrepresentations publicly corrected by the release of Chesswood's statements on June 14, 2024; July 22, 2024; and/or August 7, 2024?

xi. If the answers to (i – x) are "yes", which Impugned Documents contained which misrepresentation(s)?

xii. If the answers to (i – x) are "yes", are the Defendants, or any of them, liable to some or all of the Class Members for damages? If so, which Defendant is liable and to whom?

xiii. If the answers to (i – x) are "yes", how much did the price of Chesswood's securities decrease because of the alleged Public Corrective Disclosures, as opposed to other factors?

xiv. If the answers to (i – x) are "yes", are the Defendants, or any of them, liable to some or all of the Class Members for damages? If so, which Defendant is liable and to whom?

xv. If the answers to (i – x) are "yes", what are the damages per share?

xvi. If the answers to (i – x) are "yes", what are the damages for Class Members who elect the rescissionary measure of damages?

Common Issues (*OSA* Statutory Class)

xvii. Did the Impugned Documents released by Chesswood on May 9, 2023; August 8, 2023; November 6, 2023; January 22, 2024; March 14, 2024; and/or May 8, 2024, contain misrepresentations concerning Chesswood's business, operations and finances?

xviii. If the answer to (xvii) is “yes”, were one or more of the alleged misrepresentations publicly corrected through material facts released to the market on June 14, 2024; July 22, 2024; and/or August 7, 2024?

xix. If the answers to (xvii – xviii) are “yes”, is Chesswood relieved of liability pursuant to any of the defences provided for under section 138.4 of the *OSA*?

xx. If the answers to (xvii – xviii) are “yes” and the answer to (xix) is “no” or “partially”:

(a) What are the aggregate assessed damages for the Class (*OSA* Statutory) pursuant to sections 138.5(1) and (2) of the *OSA*?;

(b) What portion of the assessed damages, if any, has Chesswood proven is attributable to a change in the market price of Chesswood’s securities that is unrelated to the alleged misrepresentations, pursuant to section 138.5(3) of the *OSA*; and,

(c) What are the damages per share?

Court File No.: CV-24-00729269-00CP

SHANE MCCORMICK
Plaintiff

and

CHESSWOOD GROUP LTD. et al.
Defendants

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDINGS COMMENCED AT **TORONTO**

NOTICE OF MOTION

(*Motion for leave to proceed under s. 138.8 of the OSA and certification pursuant to s. 5 of the CPA)*

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vdemarco@bergermontague.com

Jonathan Bradford (LSO# 82632P)
jbradford@bergermontague.com

Lawyers for the Plaintiff

THIS IS **EXHIBIT "C"**
Referred to in the Affidavit of
DANIEL PALLAG, sworn before me this 6th day
of July 2026.

A Commissioner for Taking Affidavits
JONATHAN BRADFORD
(LSO# 82632P)

Court File No.: CV-24-00729269-00CP

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

SHANE MCCORMICK

Plaintiff

– and –

CHESSWOOD GROUP LTD., RYAN MARR, and TOBIAS RAJCHEL

Defendants

Proceeding under the *Class Proceedings Act, 1992*

FRESH AS AMENDED STATEMENT OF CLAIM

TO THE DEFENDANTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiff's lawyers or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

IF YOU PAY THE PLAINTIFFS' CLAIM, and $5,000.00 for costs, within the time for serving and filing your statement of defence you may move to have this proceeding dismissed by the court. If you believe the amount claimed for costs is excessive, you may pay the plaintiff's claim and $400.00 for costs and have the costs assessed by the court.

Date Issued:	Issued by: ______________________________ Local Registrar
	Address of Court Office: Superior Court of Justice 330 University Avenue, 7th Floor Toronto, Ontario, M5G 1R8

TO: **ADAIR GOLDBLATT BIEBER LLP**
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Lawyers for the Defendant Ryan Marr

DEFINED TERMS

1. In addition to the terms defined in ss. 1(1) and 138.1 of the *Securities Act*, R.S.O. 1990, c. S. 5, and elsewhere herein, the following capitalized terms used throughout this Statement of Claim have the meanings indicated below:

(a) "**Borrowing Base**" means the detailed formula based on the value of certain specified eligible receivables and specified margins, plus certain specified limits, which determined the availability of borrowings to Chesswood under Chesswood's syndicated revolving credit facility (referred to herein as the SRCF, as defined below);

(b) "**Class (OSA Statutory)"** means all beneficial owner entities and persons, other than Excluded Persons, who acquired Chesswood's common shares during the Class Period and who held some or all of those common shares until after the release of at least one of the Public Corrective Disclosures;

(c) "**Class (Common Law)**" means all Canadian beneficial owner entities and persons, other than Excluded Persons, who acquired Chesswood's common shares and who held some or all of those common shares until after the release of at least one of the Public Corrective Disclosures;

(d) "**Class Period**" means May 9, 2023, through August 7, 2024;

(e) "**Company**" or "**Chesswood**" means Chesswood Group Ltd.;

(f) "***CPA***" means the *Class Proceedings Act, 1992*, S.O. 1992, c. 6, as amended;

(g) **"Debt Covenants"** means debt and financial agreements relating to the SRCF, including Chesswood's compliance with the Borrowing Base;

(h) "**Excluded Persons**" means any of the Defendants, their executives, family members and business partners during the Class Period, and any business entities in which any family member of the Individual Defendants had a controlling interest during the Class Period, including Daniel Wittlin and HB Leaseco Holdings Inc;

(i) "**Impugned Documents**" means the documents and statements released on May 9, 2023 August 8, 2023, November 6, 2023, January 22, 2024, March 14, 2024, and May 8, 2024;

(j) **"Marr"** means Defendant Ryan Marr;

(k) "**MD&A**" means Management's Discussion and Analysis;

(l) "***OSA***" means the *Securities Act*, R.S.O. 1990 c. S.5, as amended;

(m) "***OBCA***" means the Ontario Business Corporations Act, RSO 1990, c B.16, as amended;

(n) "**Public Corrective Disclosures**" means the material facts released to the market on June 14, 2024, July 22, 2024, and August 7, 2024;

(o) **"Rajchel"** means Defendant Tobias Rajchel; and

(p) "**SRCF**" means Chesswood's syndicated revolving credit facility.

CAUSES OF ACTION

2. The causes of action asserted by the Plaintiff, on behalf of himself and the Classes in this proceeding, are:

(a) Common law secondary market negligent misrepresentations; and,

(b) If Part XXIII.1, s. 138.8 of the *OSA* is granted, statutory secondary market misrepresentations, pursuant to Part XXIII.1, s. 138.3 of the *OSA*.

RELIEF CLAIMED

3. The Plaintiff claims on his own behalf and on behalf of the members of the Classes, subject to further disclosures, discovery and due diligence:

(a) an order pursuant to s. 5 of the *CPA* certifying this action as a class proceeding and appointing him as the representative plaintiff for the Classes advancing the causes of action identified herein;

(b) a declaration that the Impugned Documents released by the Defendants contained misrepresentations related to the Company's business, operations and finances because the documents omitted material facts;

(c) subject to common law and Part XXIII.1 of the *OSA*, damages in a sum to be determined, or such other sum as this Court finds appropriate at the trial of the common issues or at a reference or references;

(d) that the Plaintiff and members of the Class (Common Law) are entitled to elect the recessionary measure of damages, which is to be put back in the position they would have been in had the Defendants released the May 9, 2023 and subsequent Impugned Documents without misrepresentations;

(e) an order directing a reference or giving such other directions as may be necessary to determine issues not determined in the trial of the common issues;

(f) prejudgment and post-judgment interest, compounded, or pursuant to ss. 128 and 129 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 ("*CJA*");

(g) costs of this action on a full indemnity scale, or in an amount that provides substantial indemnity, plus, pursuant to s. 26(9) of the *CPA*, the costs of administering the plan of distribution of the recovery in this action; and

(h) such further and other relief that this Honourable Court deems just.

NATURE OF THIS ACTION

4. During the Class Period, Chesswood was an Ontario corporation and a responsible issuer under the *OSA* that was publicly traded. Chesswood reported itself as a holding company whose subsidiaries engage in the business of specialty finance (including equipment finance throughout North America, vehicle finance in Canada, and legal sector finance in Canada), as well as the origination and management of private credit alternatives for North American investors, including, collecting interest and principal thereon, and in certain cases selling or securitizing the loans and leases for payment.

5. Prior to the Class Period, Chesswood entered into the SRCF, which included numerous Debt Covenants. The total mix of information to the market was that the access to capital from the SRCF was materially important to Chesswood. Prior to and during the Class Period, Chesswood amended the terms of the SRCF multiple times.

6. During the Class Period, Chesswood published material fact news that its business operations and financials were doing well, that it was in compliance with the SRCF's Debt Covenants, and that investors could rely upon its published financial statements and MD&As as being accurate.

7. However, Chesswood negligently reported that these topics were accurate as reflected by its own admissions in the Public Corrective Disclosures that it was not in compliance with the Debt Covenants, investors should no longer rely upon its financial records, that it would be required to restate its financial records relating to multiple financial measures, and that it no longer had the ability to complete its current financial statements.

8. On June 14, 2024, Chesswood reported an ambiguous statement that it was in breach of its minimum borrowing base debt covenant associated with its SRCF and was being forced to sell assets, but that investors could still rely upon its previously released financial statements. The market impact of this Public Corrective Disclosure caused the price of Chesswood's securities to diminish from $7.49 down to $3.75, or a drop of approximately 50%.

9. On July 22, 2024, Chesswood released a statement that it would need to restate its Q1 2024 financial statements and MD&A as they related to its SRCF, the breach of the Debt Covenants, write-downs of intangibles and goodwill as well as long-lived assets and tax assets, the suspension of borrowing capacity and originations by its subsidiaries Pawnee Leasing Corporation and Rifco, and implicitly reported that it still could not file its continuous disclosure documents for Q2 2024. The market impact of this Public Corrective Disclosure was harsh and immediate on the price for Chesswood's securities, sending Chesswood's share price from $2.81 to $2.66, which continued to fall through the next day down to $2.35.

10. On August 7, 2024, Chesswood supplemented its prior statements by advising the markets that it would need to determine whether further restatements of F/2023 audited annual financial statements would be required in addition to the restatement of its Q1 2024 financial statements and MD&A. The market impact of this Public Corrective Disclosure was harsh and immediate on the price for Chesswood's securities, sending Chesswood's share price from $1.81 to $1.67.

11. By August 15, 2024, Chesswood's securities closed at $0.90, was unable to release financial statements, and Chesswood had been forced to sell substantial assets to HB Leaseco Holdings Ltd. (a company affiliated with one of Chesswood's directors, Daniel Wittlin).

12. On August 15, 2024, the Ontario Securities Commission issued a failure to file cease trade order.

13. As of September 3, 2024, the Ontario Securities Commission revoked Chesswood's ability to allow secondary market trading of its securities and Chesswood has ceased providing continuous disclosures to the markets.

14. Chesswood's equity was later completely wiped out in a proceeding under the *Companies' Creditors Arrangement Act* (the "CCAA").

15. The Plaintiff and putative Classes suffered a foreseeable economic loss from the market impact of the Public Corrective Disclosures which contradicted the previous material fact statements as described within the Impugned Documents, as described below.

THE PLAINTIFF

16. The Plaintiff is located in the province of Alberta. During the Class Period, the Plaintiff purchased shares of Chesswood on May 12, 2023, May 16, 2023, June 14, 2023, August 9, 2023, and June 20, 2024. He still owns 707 shares because of the halt-trading order. He relied upon the Impugned Documents to make investment decisions to purchase and hold Chesswood's securities. Had he known of the omitted material facts that were only disclosed at the time of the Public Corrective Disclosures, he would not have purchased Chesswood's securities on these dates or continue to hold them thereafter.

17. The Plaintiff:

(a) has disclosed a cause of action for common law negligent misrepresentations seeking damages for (i) purchasing shares at artificially high prices during the Class Period; and (ii) purchasing shares at any time and holding them after the date that the Defendants' released statements that artificially inflated the price of Chesswood's shares;

(b) in good-faith believes that there are more than several similarly situated investors like him, i.e., that purchased Chesswood's shares at artificially high prices and/or held said shares during a period prior to the release of the Public Corrective Disclosures but were not informed by Chesswood of all the material facts relating to the breach of the Debt Covenants and suffered an economic injury;

(c) in good-faith believes that he shares the same common issues as other similarly situated investors;

(d) in good-faith believes that a class proceeding would be the preferable procedure for the resolution of the common issues, and specifically, for the causes of action advanced herein, especially when Chesswood was formed under the OBCA, is located in Ontario and markets itself to investors as being an Ontario responsible issuer; and

(e) in good-faith retained Class Counsel who are experienced in Canadian and U.S. shareholder class action litigation that can adequately represent him and the putative members of the Classes, can produce the same type of Litigation Plan in other similar shareholder class actions; and does not believe that there are any conflicts of interest with the putative members of the Classes.

THE DEFENDANTS

Chesswood Group Limited

18. Chesswood was an Ontario incorporated and Toronto based holding company whose subsidiaries engaged in the business of specialty finance (including equipment finance throughout North America, vehicle finance in Canada, and legal sector finance in Canada), as well as the origination and management of private credit alternatives for North American investors under brands and/or subsidiaries, including but not limited to:

(a) Pawnee Leasing Corporation, incorporated pursuant to the laws of Colorado, United States and providing equipment financing across a range of credit profiles, principally in the United States;

(b) Rifco National Auto Finance Corporation, incorporated pursuant to the laws of Alberta, Canada and providing vehicle financing for new and used automobiles in Canada;

(c) Vault Credit Corporation, incorporated pursuant to the laws of Ontario and providing equipment financing principally to small and medium-sized businesses in Canada;

(d) Vault Home Credit Corporation, incorporated pursuant to the laws of Ontario and providing home improvement and other consumer financing solutions to borrowers in Canada;

(e) Waypoint Investment Partners Inc., incorporated pursuant to the laws of Ontario, an investment firm offering exposure to, among other things, the equipment financing sector and equipment and consumer financing credit;

(f) Tandem Finance, Inc., incorporated pursuant to the laws of Colorado, whose operations were absorbed into Pawnee Leasing Corporation;

(g) Chesswood Capital Management Inc., incorporated pursuant to the laws of Ontario, a holding company that is the direct parent of Waypoint Investment Partners Inc and Chesswood Capital Management USA Inc.;

(h) Chesswood Capital Management USA Inc., incorporated pursuant to the laws of Delaware; and,

(i) Easy Legal, incorporated pursuant to the laws of Ontario and providing loans relating to the Canadian medical and legal industries.

19. Chesswood was a responsible issuer for purposes of Ontario securities laws and subject to the continuous disclosure requirements of the *OSA* and Part XXIII.1 of the *OSA*; its head office is located at 1133 Yonge Street, Suite 603, Toronto, Ontario, M4T 2Y7.

20. Chesswood's common shares, which have a CUSIP identifier number of 50202P, were listed under the ticker symbol "CHW" on the Toronto Stock Exchange ("TSX"), "Y3O.F" on the Frankfurt Stock Exchange ("FRA"), and "CHWWF" on the U.S. over-the-counter market.

21. In its 2023 Annual Report, Chesswood reported that it had 18,309,104 common shares outstanding excluding the shares issuable in exchange for 1,274,601 Class B common shares and 203,936 Class C common shares of Chesswood U.S. Acquisitionco Ltd. issued as partial consideration for the acquisition of Pawnee Leasing Corporation, and which are fully exchangeable at any time for Chesswood's common shares.

22. Chesswood relied upon Ernst & Young LLP ("**E&Y**") as its independent auditor, which on March 14, 2024 certified that it audited the consolidated financial statements for 2022 and 2023. E&Y reported that Chesswood's consolidated financial statements present fairly, in all

material respects, the consolidated financial position of Chesswood as of December 31, 2023 and in accordance with International Financial Reporting Standards. E&Y's opinion, however, was incorrect because Chesswood negligently reported its books and records to it.

Ryan Marr

23. Marr served as Chesswood's President and CEO at all relevant times and abruptly resigned on July 8, 2024. In this position he had, or should have had, access to all material fact information about: (i) the status of the Debt Covenants and (ii) whether Chesswood was in compliance with all Debt Covenants. Marr was able, or should have been able, to ensure that Chesswood did not incorrectly report that it was in compliance with all Debt Covenants when it was not, or that it had received waivers of breach(es) of the Debt Covenants from all parties.

24. Marr signed certifications accompanying each of the Company's quarterly filings throughout the Class Period which stated that the financial statements and MD&A were fairly stated and did not contain any untrue statements of material fact, when in fact they did.

Tobias Rajchel

25. Rajchel served as Chesswood's CFO until July 8, 2024 when he was named President and CEO. In these positions he had, or should have had, access to all material fact information about: (i) the status of the Debt Covenants and (ii) whether Chesswood was in compliance with all Debt Covenants. Rajchel was able, or should have been able, to ensure that Chesswood did not incorrectly report whether it was in compliance with all Debt Covenants, or that it had received waivers of breach of the Debt Covenants from all parties.

Rajchel signed certifications accompanying each of the Company's quarterly filings throughout the Class Period which stated that the financial statements and MD&A were fairly stated and did not contain any untrue statements of material fact, when in fact they did.

THE SRCF

26. The secured lenders of the SRCF to Chesswood were Royal Bank of Canada, The Toronto-Dominion Bank, The Huntington National Bank, M&T Bank, Canadian Imperial Bank of Commerce, and Laurentian Bank of Canada (the "**Lenders**").

27. The Lenders provided credit facilities to Chesswood pursuant to the SRCF. The SRCF was entered into on January 14, 2022, and was subsequently amended by agreement on March 31, 2022; July 27, 2022; December 13, 2022; June 30, 2023; December 22, 2023; and June 21, 2024.

28. The SRCF established a revolving facility in the maximum principal amount of US$300 million.

29. The availability of borrowings to Chesswood under the SRCF was determined by a Borrowing Base which was determined by a detailed formula based on the value of certain specified eligible receivables and specified margins, plus certain specified limits. Under the SRCF, a certificate setting out the current Borrowing Base was regularly required to be delivered by Chesswood to the Lenders.

30. The Borrowing Base represented the value of a predefined set of assets held by certain Chesswood subsidiaries at a given time. The Borrowing Base only included assets that met the predefined eligibility criteria set out in the SRCF. Assets must have been held by, or proprietary to, Chesswood to be included in the Borrowing Base and assets that were sold or securitized by Chesswood could not be included in the Borrowing Base.

31. In May 2024, the Lenders discovered a significant deficiency in the Borrowing Base from the Borrowing Base certificate provided by Chesswood dated March 31, 2024. The amount of the Borrowing Base deficiency was initially calculated to be approximately US$50

million and subsequently increased to approximately US$92 million. The Borrowing Base deficiency was a breach of the Debt Covenants under the SRCF.

THE TOTAL MIX OF INFORMATION

32. On **March 16, 2023**, Chesswood released its F/2022 audited annual financial statements, MD&A, and other core documents, including NI 52-109s, affirming that:

(a) On January 14, 2022, Chesswood renegotiated its SRCF to allow borrowings of up to US$300 million. Chesswood exercised the accordion feature under this revolving credit facility in Q4 2022, which expanded its capacity further to US$386.7 million;

(b) The SRCF was secured by the Company's (and most of its subsidiaries') assets, contains covenants including maintaining leverage and interest coverage ratios, and expires on January 14, 2025;

(c) This SRCF allows Chesswood to internally manage the allocation of capital to its financial services businesses in Canada and the United States. The credit facility supports growth in finance receivables, provides for Chesswood's working capital needs, and for general corporate purposes. The facility, available in U.S. dollars or Canadian dollars, also improves the Company's financial flexibility by centralizing treasury management and making the provision of capital to individual businesses more efficient; and

(d) Chesswood was not in breach of any debt covenants and enjoyed substantial intangible and goodwill as well as long-lived assets and deferred tax assets.

33. On **May 9, 2023**, Chesswood updated the total mix of information to the market about its capital, financials, and operations by releasing its Q1 2023 financial statements, MD&A, and other core documents, including NI 52-109s, affirming that:

(a) Intangible assets totalled $30.4 million as at March 31, 2023;

(b) Goodwill totalled $48.1 million as at March 31, 2023;

(c) The Company's deferred tax assets increased by $0.6 million to $7.9 million; and

(d) Chesswood was not in breach of any debt covenants and enjoyed substantial intangible and goodwill as well as long-lived assets and deferred tax assets.

34. Through the final Public Corrective Disclosure, Chesswood reported that it may need to restate its F/2023 audited financial statements without ever disclosing any further information about this topic as of the date of the filing of this pleading.

35. On **August 8, 2023**, Chesswood updated the total mix of information to the market about its capital, financials, and operations by releasing its Q2 2023 financial statements, MD&A, and other core documents, including NI 52-109s, affirming that:

(a) Intangible assets totalled $29.6 million as at June, 2023;

(b) Goodwill totalled $47.8 million as at June 30, 2023;

(c) The Company's deferred tax assets decreased to $2.5 million; and

(d) Chesswood was not in breach of any debt covenants and enjoyed substantial intangible and goodwill as well as long-lived assets and deferred tax assets.

36. Through the final Public Corrective Disclosure, Chesswood reported that it may need to restate its F/2023 audited financial statements without ever disclosing any further information about this topic as of the date of the filing of this pleading.

37. On **November 6, 2023**, Chesswood updated the total mix of information to the market about its capital, financials, and operations by releasing its Q3 2023 financial statements, MD&A, and other core documents, including NI 52-109s, affirming that:

(a) Intangible assets totalled $29.1 million as at September 30, 2023;

(b) Goodwill totalled $48.1 million as at September 30, 2023;

(c) The Company's deferred tax assets decreased to $3.3 million; and

(d) Chesswood was not in breach of any debt covenants and enjoyed substantial intangible and goodwill as well as long-lived assets and deferred tax assets.

38. Through the final Public Corrective Disclosure, Chesswood reported that it may need to restate its F/2023 audited financial statements without ever disclosing any further information about this topic as of the date of the filing of this pleading.

39. On **January 22, 2024**, Chesswood updated the total mix of information to the market about its capital, financials and operations by releasing a statement that it had created a special committee of its directors to evaluate its business, initiating a review of strategic alternatives that may include the sale of certain assets, a wind down of portfolios as well as other options. By March 28, 2024, Chesswood had announced that it had hired a prominent law firm and an investment bank in Toronto to assist.

40. The Plaintiff alleges that Chesswood negligently reported this information and, in fact, certain of the SRCF debt and financial covenants were already in breach at this time.

41. On **March 14, 2024**, Chesswood updated the total mix of information to the market about its capital, financials, and operations by releasing its F/2023 audited financial statements, MD&A, and other core documents, including NI-52-109s, affirming that:

(a) Intangible assets totalled $20.1 million as at December 31, 2023;

(b) Goodwill totalled $33.5 million as at December 31, 2023;

(c) The Company's deferred tax assets decreased to $12 million; and

(d) Chesswood was not in breach of any debt covenants and enjoyed substantial intangible and goodwill as well as long-lived assets and deferred tax assets.

42. Through the final Public Corrective Disclosure, Chesswood reported that it may need to restate its F/2023 audited financial statements without ever disclosing any further information about this topic as of the date of the filing of this pleading.

43. On **May 8, 2024**, Chesswood updated the total mix of information to the market about its capital, financials, and operations by releasing its Q1 2024 financial statements, MD&A, and other core documents, including NI-52-109s, affirming that:

(a) Intangible assets totalled $19.9 million as of March 30, 2024;

(b) Goodwill totalled $33.5 million as of March 30, 2024;

(c) The Company's deferred tax assets increased to $13.5 million; and

(d) Chesswood was not in breach of any debt covenants and enjoyed substantial intangible and goodwill as well as long-lived assets and deferred tax assets.

44. Through the July 22, 2024 Public Corrective Disclosure, Chesswood reported that it may need to restate its Q1 2024 financial statements without ever disclosing any further information about this topic as of the date of the filing of this pleading.

45. In May of 2024, both the administrative agent and the collateral agent for the Lenders, the Royal Bank of Canada, discovered the borrowing base deficiency and that Chesswood was in breach of its Debt Covenants.

46. The Royal Bank of Canada has alleged in a Statement of Claim issued against Chesswood, Marr, Rajchel, Christopher Wallbank and Daniel Wittlin (Court File CL-

2500753601-0000) that errors in the calculation of the Borrowing Base began in at least December of 2022 and contributed to the Borrowing Base deficiency discovered by RBC in May of 2024.

THE PUBLIC CORRECTIVE DISCLOSURES AND FURTHER DEVELOPMENTS

47. On **June 14, 2024** (Public Corrective Disclosure #1), Chesswood released a statement that contrary to representations made earlier in the year, it was in breach of debt covenants associated with its $300 million SRCF. Chesswood also reported that this would not affect the calculation of its receivables or other assets reported in its previously published core documents; but this was a misrepresentation as the market would learn a month later.

48. The market impact of this negative material fact news was harsh and immediate on the price for Chesswood's securities; sending Chesswood's share price from $7.49 to $3.75.

49. On **July 22, 2024** (Public Corrective Disclosure #2), before the market opened, Chesswood released a statement that it would need to restate its 1Q 2024 financial statements and MD&A as a result of its previously disclosed errors in calculating its borrowing base for the purposes of its SRCF and that it expected the restatements to:

(a) Write down goodwill and intangible assets by material amounts;

(b) Write down deferred tax assets and liability by material amounts;

(c) Disclose that it was not in compliance with the SRCF's Debt Covenants; and

(d) Disclose that it would have a going concern warning.

50. This Public Corrective Disclosure implicitly reported that Chesswood still could not file its continuous disclosure core documents for the period of 1Q and 2Q 2024.

51. The market impact of this negative material fact news was harsh and immediate on the price for Chesswood's securities; sending Chesswood's share price from $2.81 to $2.66, which

continued to fall through the next day down to $2.35. Over the course of the following ten (10) days, Chesswood's share price dropped from $2.66 to $1.67.

52. On **July 30, 2024**, Chesswood announced that Daniel Wittlin was resigning as director of Chesswood, effectively immediately, in part, to allow him to manage his potential conflict of interest with Chesswood due to his association with HB Leaseco Holdings Ltd.

53. On **August 6, 2024**, Chesswood announced that due to the defaults, it would be forced to sell its financial interests in Vault Credit, Vault Home, and certain portfolio receivables of Pawnee Leasing. It also announced that it received notice that it was in default of another securitized facility agreement (but omitted to disclose which).

54. On **August 7, 2024** (Public Corrective Disclosure #3), Chesswood announced that it would not be able to release its 2Q 2024 financial statements and MD&A, that it was investigating whether it would also restate its F/2023 financial statements, and that it's securities would be subject to a failure to file cease trade order, i.e., the securities ceased trading and there is no longer a public market for these securities.

POST CLASS-PERIOD DISCLOSURES

55. On **August 9, 2024**, Chesswood announced that it was selling its interests in Vault Credit, Vault Home, and certain portfolio receivables of Pawnee Leasing to an affiliate of HB Leaseco Holdings Ltd., Daniel Wittlin's company.

56. On **August 15, 2024**, Chesswood's securities became subject to a failure to file cease trade order from the Ontario Securities Commission, i.e., the securities ceased trading and there is no longer a public market for these securities.

57. Chesswood has ceased providing continuous disclosure statements to the markets and, in Canada, its securities are a value of $0.00; and in the United States the value is $0.18 as of the date of this Pleading.

THE CCAA PROCEEDING

58. On **October 30, 2024**, Chesswood announced that on application from the agent for its syndicate of lenders under the SRCF, it had become subject to creditor protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA Proceeding**"). The Initial Order in the CCAA Proceeding granted a stay of litigation against or in respect of Chesswood.

59. On **November 7, 2024**, the Court in the CCAA Proceeding granted an order amending the Initial Order which, among other things extended the stay period (the "**Amended and Restated Initial Order**"). The Amended and Restated Initial Order provides that the stay of litigation applies not only to claims against Chesswood, but also to any claim against any of the former, current or future directors or officers of the Chesswood.

60. Following the issuance of the Amended and Restated Initial Order, Chesswood and the Monitor in the CCAA Proceeding engaged in an extensive marketing of Chesswood's assets. These efforts resulted in the sale of substantially all of the assets of Chesswood. During this time, the stay period was extended several times by orders of Court in the CCAA Proceeding.

61. At the conclusion of the CCAA Proceeding and at the time of this pleading, Chesswood has no material assets and no operating businesses remaining.

COMMON LAW NEGLIGENT MISREPRESENTATION

62. The directors owed a duty of care to the Class Members to ensure the Impugned Documents did not contain misrepresentations, based upon a special relationship by certifying

certain of the Impugned Documents did not contain misrepresentations to the Class Members and by seeking Class Members' vote as a director of the Defendant's directors.

63. The Plaintiff relied upon the material fact statements within the Impugned Documents and in other related non-core documents/statements released on SEDAR in making a decision to purchase Chesswood's securities and to hold all of those securities until the release of the Public Corrective Disclosures.

64. It was reasonable for Class Members to rely upon the Impugned Documents in making a decision to invest as reflected by the act of purchasing Chesswood's securities and the belief that the price or value of Chesswood's securities would go up in price or value and continue to pay dividends.

65. The Impugned Documents contained misrepresentations of material fact.

66. Chesswood, through its directors and officers, breached the applicable standard of care as set out above by either: negligently monitoring and reporting on the Debt Covenants necessitating a restatement of its financial statements; or having the accurate material facts but negligently reporting the material facts within the Impugned Documents and statements by:

(a) omitting the material facts, arising at some point during the Class Period and which were publicly corrected on June 14, 2024, July 22, 2024, and August 7, 2024, to be determined during discovery, concerning the status and the non-compliance of the Company and the Debt Covenants; and,

(b) misrepresenting that the Company's financial statements could be relied upon.

67. The Plaintiff and Class Members suffered a direct and foreseeable economic injury by purchasing Chesswood's securities at a time when the investment price and value was

artificially inflated, and holding all or some of the artificially priced securities until after Chesswood released the Public Corrective Disclosures.

68. Had the Defendants not made misrepresentations or omitted the material facts as alleged herein, the Plaintiff would have sold his securities of Chesswood on or about May 9, 2023, when the Defendants should have disclosed the truth about its compliance with the Debt Covenants.

69. The Plaintiff and Class Members are entitled to rescission of their respective purchases of Chesswood securities prior to the Public Corrective Disclosures and damages relating to the same.

ONTARIO SECURITIES ACT

70. Chesswood was a responsible issue and subject to the continuous disclosure requirements of the *OSA*.

71. Marr and Rajchel were Influential Persons and Directors and Officers of Chesswood.

72. Daniel Wittlin was an Influential Person and Director and Officer of Chesswood.

73. E&Y was the auditor of Chesswood that reported that Chesswood's F/2023 financial statements fairly represented Chesswood's consolidated financial position for annual 2022 and 2023.

74. The Defendants published the Impugned Documents containing misrepresentations. Marr and Rajchel authorized the publication of the Impugned Documents containing misrepresentations.

75. Subject to s. 138.8 of the *OSA*, the Plaintiff will advance the s. 138.3 of the *OSA* cause of action.

76. Subject to disclosures or discovery, the Plaintiff may invoke s. 138.7(2) of the *OSA*.

REAL AND SUBSTANTIAL CONNECTION WITH ONTARIO

77. The Plaintiff pleads that this action has a real and substantial connection with Ontario and for the application of Ontario substantive and procedural laws on behalf of all Class Members for the following non-exhaustive reasons:

(a) Chesswood was a responsible issuer in Ontario, incorporated pursuant to the OBCA, and is headquartered in the city of Toronto, Ontario;

(b) Chesswood securities traded in Ontario on the Toronto Strock Exchange;

(c) The Plaintiff purchased shares of Chesswood in Ontario on the Toronto Stock Exchange;

(d) Chesswood's auditor is located in Toronto, Ontario;

RELEVANT LEGISLATION, PLACE OF TRIAL AND JURY TRIAL

78. The Plaintiff pleads and relies upon the *CJA*, *CPA*, *OBCA* and *OSA*.

79. The Plaintiff proposes that this action be tried in the City of Toronto, in the Province of Ontario, as a proceeding under the *CPA*.

80. The Plaintiff may serve a jury notice.

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Lawyers for the Plaintiff

Court File No.: CV-24-00729269-00CP

SHANE MCCORMICK and **CHESSWOOD GROUP LTD. et al.**
Plaintiff Defendants

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDINGS COMMENCED AT **TORONTO**

FRESH AS AMENDED STATEMENT OF CLAIM

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Tel: (647) 576-7840

Andrew Morganti (LSO# 57895E)
amorganti@bergermontague.com

Lawyers for the Plaintiff

THIS IS **EXHIBIT "D"**
Referred to in the Affidavit of
DANIEL PALLAG, sworn before me this 6th day
of July 2026.

A Commissioner for Taking Affidavits
JONATHAN BRADFORD
(LSO# 82632P)

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	TUESDAY, THE 29TH
	)	
JUSTICE KIMMEL	)	DAY OF OCTOBER, 2024

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 ARRANGEMENT OF **CHESSWOOD GROUP LIMITED, CASE FUNDING INC., CHESSWOOD HOLDINGS LTD., CHESSWOOD US ACQUISITIONCO LTD., PAWNEE LEASING CORPORATION, LEASE-WIN LIMITED, WINDSET CAPITAL CORPORATION, TANDEM FINANCE, INC., CHESSWOOD CAPITAL MANAGEMENT INC., CHESSWOOD CAPITAL MANAGEMENT USA INC., RIFCO NATIONAL AUTO FINANCE CORPORATION, RIFCO INC., WAYPOINT INVESTMENT PARTNERS INC.** and **1000390232 ONTARIO INC.**

INITIAL ORDER

THIS APPLICATION, made by Royal Bank of Canada, in capacity as administrative and collateral agent (the "**Pre-Filing Agen**t" or the "**Applicant**") to the lenders (the "**Pre-Filing Lenders**") under a second amended and restated credit agreement dated as of January 14, 2022, as amended, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Wenwei (Wendy) Chen sworn October 28, 2024 and the Exhibits thereto (the "**Chen Affidavit**") and the pre-filing report of FTI Consulting Canada Inc. ("**FTI**"), in its capacity as proposed monitor of the CCAA Parties, dated October 29, 2024, and on on hearing the submissions of counsel for the Pre-Filing Agent, counsel to FTI, and such other counsel present, and on reading the consent of FTI to act as the monitor (in such capacity, the "**Monitor**") and upon being advised that the CCAA Parties do not oppose the relief sought,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

2. **THIS COURT ORDERS** that unless otherwise indicated or defined herein, capitalized terms have the meanings given to them in the Chen Affidavit.

APPLICATION

3. **THIS COURT ORDERS AND DECLARES** that the CCAA Parties are companies to which the CCAA applies.

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that, subject to the rights and powers granted in favour of the Monitor under this Order, the CCAA Parties shall remain in possession and control of their respective current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the CCAA Parties shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The CCAA Parties shall each be authorized and empowered, subject to the consent of the Monitor and the terms of the DIP Term Sheet (as defined below), to continue to retain and employ the employees, independent contractors, advisors, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the CCAA Parties shall be entitled to continue to utilize the central cash management system currently in place as described in the Chen Affidavit or replace it with another substantially similar central cash management system with the consent of the Monitor (in either case, the "**Cash Management System**"), and that any present or future

bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the CCAA Parties of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as defined below) other than the CCAA Parties, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. **THIS COURT ORDERS** that the CCAA Parties shall, with the consent of the Monitor, be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of this Order, to the extent that such expenses are incurred and payable by the CCAA Parties and subject to the terms of the DIP Term Sheet:

(a) all outstanding and future wages, salaries, employee benefits (including, without limitation, employee medical, dental, registered retirement savings plan contributions and similar benefit plans or arrangements), vacation pay and expenses, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements, and other payroll and benefits processing and servicing expenses;

(b) the fees and disbursements of any Assistants retained or employed by the CCAA Parties or the Pre-Filing Agent, Pre-Filing Lenders, DIP Agent or DIP Lenders (as defined in the DIP financing principal terms sheet dated October 29**,** 2024, the "**DIP Term Sheet**") in respect of these proceedings, at their standard rates and charges; and

(c) amounts owing for goods or services supplied to the CCAA Parties prior to the date of this Order by third party suppliers or service providers not exceeding US$1,000,000 in aggregate, if in the opinion of the Monitor such supplier or service provider is critical to the Business and ongoing operations of the CCAA Parties and the Property.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, and subject to the terms of the DIP Term Sheet, the CCAA Parties shall, with the consent of the Monitor, be entitled but not required to pay all reasonable expenses incurred by the CCAA Parties in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order or any other Order of the Court, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and

(b) payment for goods or services actually supplied to the CCAA Parties following the date of this Order.

8. **THIS COURT ORDERS** that the CCAA Parties are authorized to remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

(b) all goods and services taxes, harmonized sales taxes and other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the CCAA Parties in connection with the sale of goods and services by the CCAA Parties, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business, workers' compensation or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the CCAA Parties.

9. **THIS COURT ORDERS** that until a real property lease, including a sublease and related documentation, to which any CCAA Party is a party (each a "**Lease**"), is disclaimed in accordance with the CCAA or otherwise consensually terminated, the applicable CCAA Party shall pay, with the consent of the Monitor, without duplication, all amounts constituting rent or payable as rent under such Lease (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the applicable landlord (the "**Landlord**") under such Lease, but for greater certainty, excluding accelerated rent or penalties, fees or other charges arising as a result of the insolvency of the CCAA Parties or the making of this Order) or as otherwise may be negotiated between the applicable CCAA Party and the Landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the CCAA Parties and the Monitor, for and on the behalf of the CCAA Parties, are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by any of the CCAA Parties to any of their creditors as of this date, except to the Pre-Filing Agent and Pre-Filing Lenders as provided for in this Order or the DIP Term Sheet or any Definitive Documents (each as defined below); (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of the Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business or pursuant to this Order or any other Order of the Court.

RESTRUCTURING

11. **THIS COURT ORDERS** that the Monitor, in consultation with the DIP Agent shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as defined below), have the right, for and on behalf of and in the name of the CCAA Parties, to:

(a) permanently or temporarily cease, downsize or shut down any of the CCAA Parties' business or operations, and to dispose of redundant or non-material assets not exceeding US$1,000,000 in any one transaction or US$2,000,000 in the aggregate.

(b) terminate the employment of such of its employees or temporarily lay off such of its employees as the Monitor, for and on behalf of and in the name of the applicable CCAA Parties, deems appropriate;

(c) disclaim, in whole or in part, with the prior consent of the DIP Agent or further Order of the Court, any of the arrangements or agreements of any nature whatsoever and with whomsoever, whether oral or written, of the CCAA Parties, as the Monitor, for and on behalf of and in the name of the CCAA Parties, deems appropriate, in accordance with section 32 of the CCAA; and

(d) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the CCAA Parties to proceed with an orderly restructuring of the Business (the "**Restructuring**").

12. **THIS COURT ORDERS** that each CCAA Party shall provide each of the relevant Landlords with notice of the CCAA Parties' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant Landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes a CCAA Party's entitlement to remove any such fixture under the provisions of the applicable Lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such Landlord and the applicable CCAA Party, or by further Order of this Court upon application by the Monitor on at least two (2) days notice to such Landlord and any such secured creditors. If a CCAA Party disclaims the Lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such Lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the Lease shall be without prejudice to such CCAA Party's claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the Landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the CCAA Parties and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the CCAA Parties in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE CCAA PARTIES OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including November 8, 2024, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the CCAA Parties or the Monitor (or their respective employees, agents and representatives acting in such capacity), or affecting the Business or the Property, except with the prior written consent of the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the CCAA Parties or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

15. **THIS COURT ORDERS** that, to the extent any prescription, time or limitation relating to any Proceeding against or in respect of any CCAA Party that is stayed pursuant to this Order may expire, the term of such prescription, time or limitation period shall hereby be deemed to be extended by a period equal to the Stay Period.

NO EXERCISE OF RIGHTS OR REMEDIES

16. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the CCAA Parties or the Monitor (or their respective employees, agents and representatives acting in such capacity), or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Monitor, or leave of this Court, provided that nothing in this

Order shall (i) empower the CCAA Parties to carry on any business which the CCAA Parties are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

17. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence or permit in favour of or held by the CCAA Parties, except with the prior written consent of the Monitor, or leave of this Court. Without limiting the foregoing, no right, option, remedy, and/or exemption in favour of the relevant CCAA Parties shall be or shall be deemed to be negated, suspended, waived and/or terminated as a result of the insolvency of the CCAA Parties, the commencement of the within proceedings, or any related recognition proceedings, or this Order.

18. **THIS COURT ORDERS** that, no Person shall be entitled to set off any amounts that: (i) are or may become due to the CCAA Parties in respect of obligations arising prior to the date hereof with any amounts that are or may become due from the CCAA Parties in respect of obligations arising on or after the date of this Order; or (b) are or may become due from the CCAA Parties in respect of obligations arising prior to the date hereof with any amounts that are or maybe become due to the CCAA Parties in respect of obligations arising on or after the date of this Order, in each case without the consent of the Monitor, or leave of this Court, provided that nothing in this Order shall prejudice any arguments any Person may make in seeking leave of the Court or following the granting of such leave.

CONTINUATION OF SERVICES

19. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the CCAA Parties or statutory or regulatory mandates for the supply of goods, intellectual property, and/or services, including, without limitation, all computer software, communication and other data services, centralized banking services, cash management services, payroll and benefit services, insurance, transportation services, utility or other services to the

Business or the CCAA Parties, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the CCAA Parties, and that the CCAA Parties shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the CCAA Parties in accordance with normal payment practices of the CCAA Parties or such other practices as may be agreed upon by the supplier or service provider and the applicable CCAA Parties and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

20. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration, in each case, provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the CCAA Parties. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the CCAA Parties with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the CCAA Parties whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the CCAA Parties, if one is filed, is sanctioned by this Court or is refused by the creditors of the CCAA Parties or this Court.

SECURITIES FILINGS

22. **THIS COURT ORDERS** that the decision by the CCAA Parties to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents, and press releases (collectively, the

"**Securities Filings**") that may be required by any federal, provincial or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including, without limitation, the *Securities Act* (Ontario), R.S.O., c. S.5 and comparable statutes enacted by other provinces of Canada, the TSX Company Manual and other rules, regulations and policies of the Toronto Stock Exchange and (collectively, the "**Securities Provisions**"), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in Section 11.1(2) of the CCAA as a consequence of the CCAA Parties failing to make Securities Filings required by the Securities Provisions.

23. **THIS COURT ORDERS** that none of the directors, officers, employees, or other representatives of the CCAA Parties nor the Monitor (or its employees, agents and representatives acting in such capacity) shall have any personal liability for any failure by the CCAA Parties to make any Securities Filings required by the Securities Provisions during the Stay Period, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have against the directors, officers, employees and other representatives of the CCAA Parties of a nature described in section 11.1(2) of the CCAA as a consequence of such failure by the CCAA Parties. For greater certainty, nothing in this Order is intended to or shall encroach on the jurisdiction of any securities regulatory authorities (the "**Regulators**") in the matter of regulating the conduct of market participants and to issue or maintain cease trader orders if and when required pursuant to applicable securities law. Further, nothing in this Order shall constitute or be construed as an admission by the Regulators that the Court has jurisdiction over matters that are within the exclusive jurisdiction of the Regulators under the Securities Provisions.

APPOINTMENT OF MONITOR

24. **THIS COURT ORDERS** that FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the CCAA Parties with the powers and obligations set out in the CCAA or set forth herein and that the CCAA Parties and their shareholders, partners, members, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the CCAA Parties pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its

obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

25. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the CCAA Parties' receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) provide the DIP Agent and its counsel with such financial and other information as agreed to with the DIP Agent, which may be used in these proceedings, including reporting on a basis to be agreed with the DIP Agent;

(d) assist the CCAA Parties in their preparation of the CCAA Parties' cash flow statements and reporting required by the DIP Agent, which information shall be reviewed with the Monitor and delivered to the DIP Agent and its counsel on a periodic basis, or as otherwise agreed to by the DIP Agent;

(e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the CCAA Parties, to the extent that is necessary to adequately assess the CCAA Parties' business and financial affairs or to perform its duties arising under this Order;

(f) be at liberty to engage independent legal counsel, advisors, or such other persons, or utilize the services of employees of its affiliates, as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

(g) act as representative (the "**Foreign Representative**") in respect of the within proceedings for the purposes of having these proceedings recognized in a jurisdiction outside of Canada, including acting as a Foreign Representative of the CCAA Parties to apply to the United States Bankruptcy Court for relief pursuant to chapter 15 of the

United States Bankruptcy Code, 11 U.S.C.§§ 101-1532, as amended (the "**Bankruptcy Code**"); and

(h) perform such other duties as are required by this Order or by this Court from time to time.

26. **THIS COURT ORDERS** that in addition to the powers outlined in paragraphs 24 and 25 and subject to further Orders of the Court, the Monitor is hereby authorized and empowered, but not required, for and on behalf of and in the name of the CCAA Parties and their respective boards of directors (and not in its personal capacity), as the Monitor considers necessary or desirable, in consultation with the DIP Agent, to:

(a) conduct and control the financial affairs and operations of the CCAA Parties and carry on business of any of the CCAA Parties, including, without limitation:

(i) controlling the CCAA Parties' receipts and disbursements;

(ii) executing banking and other transactions and executing any documents or taking any other action that is necessary or appropriate for the purpose of the exercise of this power;

(iii) executing such documents as may be necessary in connection with any proceedings before this Court or pursuant to any Order of this Court;

(iv) taking any action or steps that any of the CCAA Parties can take pursuant to the CCAA, this Order or further Order of this Court, including making distributions or payments;

(v) negotiating and entering into agreements with respect to the Business or the Property;

(vi) applying to the Court for any orders which may be necessary or appropriate in order to convey the Property of any CCAA Party to a purchaser or purchasers thereof;

(vii) exercising any shareholder, partner, member or other rights and privileges available to any of the CCAA Parties for and on behalf and in the name of any of them;

(viii) exercise any powers which may be properly exercised by any board of directors of the CCAA Parties;

(ix) settling, extending or compromising any indebtedness owing to or by the CCAA Parties;

(x) initiating, prosecuting and continuing the prosecution of any and all proceedings and defending all proceedings now pending or hereafter instituted with respect to the CCAA Parties, the Business, the Property or the Monitor and to settle or compromise any such proceeding;

(xi) exercising any rights of the CCAA Parties;

(xii) applying for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and in the name of the CCAA Parties;

(xiii) taking any and all corporate governance actions for the CCAA Parties;

(xiv) providing instruction and direction to the Assistants of the CCAA Parties;

(b) preserve, protect and exercise control over the Business or Property, or any parts thereof, including, without limitation, to:

(i) receive, collect and exercise control over all proceeds of sale of any of the Property;

(ii) exercise all remedies of the CCAA Parties in collecting monies owed or hereafter owing to the CCAA Parties and to enforce any security held by the CCAA Parties;

(iii) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property for any purpose pursuant to this Order;

(c) conduct investigations from time to time, including, without limitation, examining under oath any Person reasonably thought to have knowledge relating to any of the CCAA Parties, the Business or the Property and compelling any such Person to produce any books, records, accountings, correspondence or documents or papers, electronically stored otherwise, in that Person's possession, custody, control or power relating to the CCAA Parties, the Business or the Property; and

(d) take any steps, enter into any agreements, execute any documents, incur any obligations or take any other action necessary, useful or incidental to the exercise of any of the aforesaid powers,

and in each case where the Monitor takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the CCAA Parties, and without interference from any other Person.

27. **THE COURT ORDERS** that the Monitor shall, subject to the Cash Management System, be authorized and empowered, but not required, to operate and control, for and on behalf of and in the name of the CCAA Parties, all of the CCAA Parties' existing accounts at any financial institution (each an "**Account**" and, collectively, the "**Accounts**") in such manner as the Monitor, in its sole discretion, deems necessary or appropriate, including, without limitation, to:

(a) exercise control over the funds credited to or deposited in the Accounts;

(b) effect any disbursement from the Accounts permitted by this Order or any other Order of this Court;

(c) give instructions from time to time with respect to the Accounts and the funds credited or deposited therein, including to transfer the funds credited to or deposited in such Accounts to such other account or accounts as the Monitor may direct; and

(d) add or remove Persons having signing authority with respect to any Account or to direct the closing of any Account.

28. **THE COURT ORDERS** that the CCAA Parties and their directors, officers, employees and agents, accountants, auditors and all other Persons having notice of this Order shall cooperate with the Monitor in discharging its duties and forthwith provide the Monitor with unrestricted access to all of the Business and Property, including, without limitation, the premises, books, records, data, including data in electronic form, and all other documents of the CCAA Parties.

29. **THIS COURT ORDERS** that neither the Monitor nor any employee, representative or agent of the Monitor shall be deemed to: (i) be a director, officer, employee or trustee of the CCAA Parties, (ii) be a legal representative or Person to whom section 150(3) of the *Income Tax Act* (Canada) applies; (iii) assume any obligation of the CCAA Parties or any one of them; or (iv) assume any fiduciary duty towards the CCAA Parties or any other Person, including any creditor or shareholder of the CCAA Parties.

30. **THIS COURT ORDERS** that the Monitor shall not be liable for any employee-related liabilities in respect of the employees of the CCAA Parties, including any successor employer liabilities as provided for in Section 11.8(1) of the CCAA. Nothing in this Order shall cause the Monitor to be liable for any employee-related liabilities in respect of the employees of the CCAA Parties, including wages, severance pay, termination pay, vacation pay, and pension or benefits amounts.

31. **THIS COURT ORDERS** that by fulfilling its obligations hereunder the Monitor shall not be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

32. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations

thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

33. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the CCAA Parties with information provided by the CCAA Parties in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the CCAA Parties is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor may agree.

34. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

35. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the Pre-Filing Agent, the Pre-Filing Lenders, the DIP Agent and the DIP Lenders shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on, or subsequent to the date of this Order, by the CCAA Parties, as part of the costs of these proceedings. The CCAA Parties are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel to the DIP Agent on such terms as the parties may agree.

36. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

ADMINISTRATION CHARGE

37. **THIS COURT ORDERS** that the Monitor (whether in its capacity as Monitor or Foreign Representative) and counsel to the Monitor and Foreign Representative shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of US$2,000,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 43 and 45 hereof.

DIP FINANCING

38. **THIS COURT ORDERS** that on or after the date of this Order and until the Comeback Hearing (as defined below), Chesswood Group Limited is hereby authorized and empowered to borrow from the DIP Lenders in accordance with and subject to the terms of the DIP Term Sheet (each an "**Interim Borrowing**" and, collectively, the "**DIP Borrowings**"), provided that (i) such DIP Borrowings shall not, individually or in the aggregate, exceed US$18,500,000, until further Order of the Court, (ii) between the date of this Order and the Comeback Hearing, such DIP Borrowings shall not, individually or in the aggregate exceed US$4,000,000, (iii) such DIP Borrowings shall be on terms and subject to the conditions, and accrue interest at the rates, set out in the DIP Term Sheet, and (iv) unless the DIP Agent provides its written waiver, the United States Bankruptcy Court shall have granted an Order pursuant to the Bankruptcy Code: (a) provisionally recognizing, ordering and giving effect to this Order, and the DIP Charge (as defined below) in the United States, and (b) granting such other provisional relief that is sought by the CCAA Parties, at the request of the DIP Agent.

39. **THIS COURT ORDERS** that the Monitor, for and on behalf of and in the name of the CCAA Parties, is authorized to execute and deliver the DIP Term Sheet and such credit agreements, security documents, guarantees, and other definitive documents (collectively, the "**Definitive Documents**") as may be required by the DIP Agent or the DIP Financing Majority Lenders (as defined in the DIP Term Sheet) in connection with the DIP Facility and the DIP Term Sheet, and the Monitor is authorized, for and on behalf of and in the name of the CCAA Parties, to pay and perform all of the obligations of the CCAA Parties under the DIP Term Sheet

and any Definitive Documents as and when the same become due and are to be performed notwithstanding any other provisions of this Order.

40. **THIS COURT ORDERS** that the DIP Agent shall be entitled to the benefit of and is hereby granted a charge, for and on behalf of the DIP Lenders (the "**DIP Charge**") on the Property of each of the CCAA Parties, which DIP Charge shall not secure any obligation that exists before this Order is made. The DIP Charge shall have the priority set out in paragraphs 43 to 45 hereof.

41. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

(a) the DIP Agent may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Charge or any of the Definitive Documents;

(b) upon the occurrence of an event of default under the DIP Term Sheet, Definitive Documents or the DIP Charge, then upon five (5) business days' notice to the CCAA Parties and the Monitor, the DIP Agent may exercise any and all rights and remedies against the CCAA Parties or the Property pursuant to the DIP Term Sheet, Definitive Documents and DIP Charge, including without limitation, to cease making advances to the CCAA Parties and, subject to further Order of this Court, set off and/or consolidate any amounts owing by the DIP Lenders to any of the CCAA Parties against the obligations of the CCAA Parties to the DIP Lenders under the DIP Term Sheet, Definitive Documents or DIP Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the CCAA Parties or the Property and the appointment of a trustee in bankruptcy of the CCAA Parties; and

(c) the foregoing rights and remedies of the DIP Agent shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the CCAA Parties or the Property.

42. **THIS COURT ORDERS** that the DIP Agent and DIP Lenders shall be treated as unaffected in any plan of arrangement or compromise filed by the CCAA Parties under the

CCAA, or any proposal filed by the CCAA Parties under the *Bankruptcy and Insolvency Act* (the "**BIA**") with respect to any DIP Borrowings.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

43. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of US$2,000,000); and

Second – DIP Charge.

44. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

45. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts (including deemed or contractual trusts), liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person , except any Person who is a "secured creditor" as defined in the CCAA that has not been served with the Notice of Application for this Order. The CCAA Parties shall be entitled, at the Comeback Hearing, on notice to those Persons likely to be affected thereby, to seek priority of the Charges ahead of any Encumbrance over which the Charges may not have obtained priority pursuant to this Order.

46. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the CCAA Parties shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, without the prior written consent of the Monitor, the DIP Agent and the beneficiaries of the Charges (collectively, the "**Chargees**"), or further Order of this Court.

47. **THIS COURT ORDERS** that the DIP Term Sheet, the Definitive Documents and the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees, the DIP Agent and/or the DIP Lenders thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) or receivership order(s) issued pursuant to the BIA or otherwise, or any bankruptcy order or receivership order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the CCAA Parties, and notwithstanding any provision to the contrary in any Agreement:

(a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the CCAA Parties of any Agreement to which it is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the CCAA Parties entering into the DIP Term Sheet, the creation of the Charges, the DIP Borrowings, or the execution, delivery or performance of the Definitive Documents; and

(c) the payments made by the CCAA Parties pursuant to this Order, the DIP Term Sheet or the Definitive Documents, including the DIP Borrowings, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

48. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the CCAA Parties' interests in such real property leases.

SERVICE AND NOTICE

49. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in The Globe and Mail a notice containing the information prescribed under the CCAA, (ii) within five (5) days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner (including by electronic message to the email addresses as last shown in the CCAA Parties' books and records), a notice to all known creditors who have a claim against the CCAA Parties of more than $1000, and (C) prepare a list showing the names and addresses of such creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the names and addresses of individuals who are creditors publicly available, unless otherwise ordered by the Court.

50. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a case website shall be established in accordance with the Protocol with the following URL http://cfcanada.fticonsulting.com/Chesswood (the "**Monitor's Website**").

51. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol or the CCAA and the regulations thereunder is not practicable, the CCAA Parties and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or electronic message to the CCAA Parties' creditors or other interested parties at their respective addresses as last shown in the books and records of the CCAA Parties and that any such service or distribution shall be deemed to be received on the earlier of (i) the date of forwarding thereof, if

sent by electronic message on or before 5:00 p.m. prevailing Eastern Time (or on the next business day following the date of forwarding thereof is sent on a non-business day; (ii) the next business day following the date of forwarding thereof, if sent by courier, personal delivery, facsimile transmission or electronic message sent after 5:00 p.m. prevailing Eastern Time; or (iii) on the third (3^{rd}) business day following the date of forwarding thereof, if sent by ordinary mail.

52. **THE COURT ORDERS** that the CCAA Parties and the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, including any notices, or other correspondence, by forwarding copies thereof by electronic message to the CCAA Parties' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS).

COMEBACK HEARING

53. **THIS COURT ORDERS** that the comeback motion in these CCAA proceedings shall be heard on November 7, 2024 at 2:00 p.m. prevailing Eastern Time (the "**Comeback Hearing**").

GENERAL

54. **THIS COURT ORDERS** that the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of its powers and duties hereunder.

55. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the CCAA Parties, the Business or the Property.

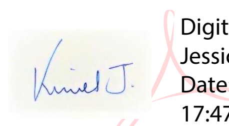
56. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the CCAA Parties, the Foreign Representative, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide

such assistance to the CCAA Parties, the Foreign Representative and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the CCAA Parties, the Foreign Representative and the Monitor and their respective agents in carrying out the terms of this Order.

57. **THIS COURT ORDERS** that each of the CCAA Parties and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

58. **THIS COURT ORDERS** that any interested party (including the CCAA Parties and the Monitor) may apply to this Court to vary or amend this Order at the Comeback Hearing on not less than five (5) calendar days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

59. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. prevailing Eastern Time on the date of this Order.



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

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.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

INITIAL ORDER

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Lawyers for the Applicant

THIS IS **EXHIBIT "E"**
Referred to in the Affidavit of
DANIEL PALLAG, sworn before me this 6th day
of July 2026.

A Commissioner for Taking Affidavits
JONATHAN BRADFORD
(LSO# 82632P)

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	THURSDAY, THE 7TH
	)	
JUSTICE KIMMEL	)	DAY OF NOVEMBER, 2024

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 ARRANGEMENT OF **CHESSWOOD GROUP LIMITED, CASE FUNDING INC., CHESSWOOD HOLDINGS LTD., CHESSWOOD US ACQUISITIONCO LTD., PAWNEE LEASING CORPORATION, LEASE-WIN LIMITED, WINDSET CAPITAL CORPORATION, TANDEM FINANCE, INC., CHESSWOOD CAPITAL MANAGEMENT INC., CHESSWOOD CAPITAL MANAGEMENT USA INC., RIFCO NATIONAL AUTO FINANCE CORPORATION, RIFCO INC., WAYPOINT INVESTMENT PARTNERS INC.** and **1000390232 ONTARIO INC.**

AMENDED AND RESTATED INITIAL ORDER
(amending and restating the Initial Order dated October 29, 2024)

THIS MOTION, made by Royal Bank of Canada, in capacity as administrative and collateral agent (the "**Pre-Filing Agen**t" or the "**Applicant**") to the lenders (the "**Pre-Filing Lenders**") under a second amended and restated credit agreement dated as of January 14, 2022, as amended, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day via Zoom videoconference in Toronto, Ontario.

ON READING the affidavit of Wenwei (Wendy) Chen sworn October 28, 2024 and the Exhibits thereto (the "**Chen Affidavit**"), the pre-filing report of FTI Consulting Canada Inc. ("**FTI**"), in its capacity as proposed monitor of Chesswood Group Limited, Case Funding Inc., Chesswood Holdings Ltd., Chesswood US Acquisitionco Ltd., Pawnee Leasing Corporation, Lease-Win Limited, Windset Capital Corporation, Tandem Finance, Inc., Chesswood Capital Management Inc., Chesswood Capital Management USA Inc., Rifco National Auto Finance Corporation, Rifco Inc., Waypoint Investment Partners Inc. and 1000390232 Ontario Inc.

(collectively, the "**CCAA Parties**"), dated October 29, 2024 (the "**Pre-Filing Report**"), and the first report of FTI, in its capacity as monitor of the CCAA Parties (in such capacity, the "**Monitor**"), dated November 6, 2024 (the "**First Report**"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Pre-Filing Agent and the DIP Agent (as defined in the DIP financing principal terms sheet dated October 29**,** 2024, the "**DIP Term Sheet**"), counsel to the Monitor, and such other counsel present; and on reading the consent of the Monitor to act as monitor,

DEFINITIONS

1. **THIS COURT ORDERS** that unless otherwise indicated or defined herein, capitalized terms have the meanings given to them in the Chen Affidavit.

2. **THIS COURT ORDERS** that references in this Order to the "date of this Order", the "date hereof" or similar phrases refer to the date of the Initial Order of this Court that was granted in these proceedings, being October 29, 2024 (the "**Initial Order**").

SERVICE

3. **THIS COURT ORDERS** that the time for and method of service of the Initial Order Notice of Application, the Initial Order Application Record, the Notice of Motion, the Motion Record, the Pre-Filing Report and the First Report are hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

4. **THIS COURT ORDERS AND DECLARES** that the CCAA Parties are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

5. **THIS COURT ORDERS** that the CCAA Parties shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

6. **THIS COURT ORDERS** that, subject to the rights and powers granted in favour of the Monitor under this Order, the CCAA Parties shall remain in possession and control of their respective current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the CCAA Parties shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The CCAA Parties shall each be authorized and empowered, subject to the consent of the Monitor and the terms of the DIP Term Sheet, to continue to retain and employ the employees, independent contractors, advisors, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

7. **THIS COURT ORDERS** that the CCAA Parties shall be entitled to continue to utilize the central cash management system currently in place as described in the Chen Affidavit or replace it with another substantially similar central cash management system with the consent of the Monitor (in either case, the "**Cash Management System**"), and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the CCAA Parties of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as defined below) other than the CCAA Parties, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

8. **THIS COURT ORDERS** that the CCAA Parties shall, with the consent of the Monitor, be entitled but not required to pay the following expenses whether incurred prior to, on, or after

the date of this Order, to the extent that such expenses are incurred and payable by the CCAA Parties and subject to the terms of the DIP Term Sheet:

(a) all outstanding and future wages, salaries, employee benefits (including, without limitation, employee medical, dental, registered retirement savings plan contributions and similar benefit plans or arrangements), vacation pay and expenses, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements, and other payroll and benefits processing and servicing expenses;

(b) the fees and disbursements of any Assistants retained or employed by the CCAA Parties or the Pre-Filing Agent, Pre-Filing Lenders, DIP Agent or DIP Lenders (as defined in the DIP Term Sheet) in respect of these proceedings, at their standard rates and charges; and

(c) amounts owing for goods or services supplied to the CCAA Parties prior to the date of this Order by third party suppliers or service providers not exceeding US$1,000,000 in aggregate, if in the opinion of the Monitor such supplier or service provider is critical to the Business and ongoing operations of the CCAA Parties and the Property.

9. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, and subject to the terms of the DIP Term Sheet, the CCAA Parties shall, with the consent of the Monitor, be entitled but not required to pay all reasonable expenses incurred by the CCAA Parties in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order or any other Order of the Court, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and

(b) payment for goods or services actually supplied to the CCAA Parties following the date of this Order.

10. **THIS COURT ORDERS** that the CCAA Parties are authorized to remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

(b) all goods and services taxes, harmonized sales taxes and other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the CCAA Parties in connection with the sale of goods and services by the CCAA Parties, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business, workers' compensation or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the CCAA Parties.

11. **THIS COURT ORDERS** that notwithstanding anything to the contrary in this Order, any cash, legal title, assets, or any other property that is (i) required to be held in trust by the CCAA Parties for the benefit of a Securitization Funder (as defined in the Chen Affidavit) pursuant to an agreement with a Securitization Funder, including a Securitization Agreement (as defined in the Chen Affidavit) (a "**Subject Agreement**"), and (ii) received or held by the CCAA Parties pursuant to the applicable Subject Agreement (collectively, whether received or held by the CCAA Parties before, on, or after the date of this Order, "**Securitized Assets**") shall neither (a) constitute Property of the CCAA Parties under this Order, nor (b) be subject to any Charges or Encumbrances granted pursuant to this Order, and shall be deemed to be held in trust for and on behalf of the applicable Securitization Funder in accordance with the Subject Agreement. The CCAA Parties shall remit any Securitized Assets to the applicable

Securitization Funder, in each case in accordance with the terms of the applicable Subject Agreement, and no bank providing the Cash Management System or other Person with an Encumbrance or control over any account of the CCAA Parties shall prevent or interfere with the remittance of such Securitized Assets to the applicable Securitization Funder in accordance with the foregoing.

12. **THIS COURT ORDERS** that until a real property lease, including a sublease and related documentation, to which any CCAA Party is a party (each a "**Lease**"), is disclaimed in accordance with the CCAA or otherwise consensually terminated, the applicable CCAA Party shall pay, with the consent of the Monitor, without duplication, all amounts constituting rent or payable as rent under such Lease (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the applicable landlord (the "**Landlord**") under such Lease, but for greater certainty, excluding accelerated rent or penalties, fees or other charges arising as a result of the insolvency of the CCAA Parties or the making of this Order) or as otherwise may be negotiated between the applicable CCAA Party and the Landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

13. **THIS COURT ORDERS** that, except as specifically permitted herein, the CCAA Parties and the Monitor, for and on the behalf of the CCAA Parties, are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by any of the CCAA Parties to any of their creditors as of this date, except to the Pre-Filing Agent and Pre-Filing Lenders as provided for in this Order or the DIP Term Sheet or any Definitive Documents (each as defined below); (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of the Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business or pursuant to this Order or any other Order of the Court.

RESTRUCTURING

14. **THIS COURT ORDERS** that the Monitor, in consultation with the DIP Agent shall, subject to such requirements as are imposed by the CCAA and such covenants as may be

contained in the Definitive Documents (as defined below), have the right, for and on behalf of and in the name of the CCAA Parties, to:

(a) permanently or temporarily cease, downsize or shut down any of the CCAA Parties' business or operations, and to dispose of redundant or non-material assets not exceeding US$1,000,000 in any one transaction or US$2,000,000 in the aggregate.

(b) terminate the employment of such of its employees or temporarily lay off such of its employees as the Monitor, for and on behalf of and in the name of the applicable CCAA Parties, deems appropriate;

(c) disclaim, in whole or in part, with the prior consent of the DIP Agent or further Order of the Court, any of the arrangements or agreements of any nature whatsoever and with whomsoever, whether oral or written, of the CCAA Parties, as the Monitor, for and on behalf of and in the name of the CCAA Parties, deems appropriate, in accordance with section 32 of the CCAA; and

(d) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the CCAA Parties to proceed with an orderly restructuring of the Business (the "**Restructuring**").

15. **THIS COURT ORDERS** that each CCAA Party shall provide each of the relevant Landlords with notice of the CCAA Parties' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant Landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes a CCAA Party's entitlement to remove any such fixture under the provisions of the applicable Lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such Landlord and the applicable CCAA Party, or by further Order of this Court upon application by the Monitor on at least two (2) days notice to such Landlord and any such secured creditors. If a CCAA Party disclaims the Lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such Lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the

disclaimer of the Lease shall be without prejudice to such CCAA Party's claim to the fixtures in dispute.

16. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the Landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the CCAA Parties and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the CCAA Parties in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE CCAA PARTIES OR THE PROPERTY

17. **THIS COURT ORDERS** that until and including January 31, 2025, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the CCAA Parties or the Monitor (or their respective employees, agents and representatives acting in such capacity), or affecting the Business or the Property, except with the prior written consent of the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the CCAA Parties or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

18. **THIS COURT ORDERS** that, to the extent any prescription, time or limitation relating to any Proceeding against or in respect of any CCAA Party that is stayed pursuant to this Order may expire, the term of such prescription, time or limitation period shall hereby be deemed to be extended by a period equal to the Stay Period.

NO EXERCISE OF RIGHTS OR REMEDIES

19. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the CCAA Parties or the Monitor (or their respective employees, agents and representatives acting in

such capacity), or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the CCAA Parties to carry on any business which the CCAA Parties are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

20. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence or permit in favour of or held by the CCAA Parties, except with the prior written consent of the Monitor, or leave of this Court. Without limiting the foregoing, no right, option, remedy, and/or exemption in favour of the relevant CCAA Parties shall be or shall be deemed to be negated, suspended, waived and/or terminated as a result of the insolvency of the CCAA Parties, the commencement of the within proceedings, or any related recognition proceedings, or this Order.

21. **THIS COURT ORDERS** that, no Person shall be entitled to set off any amounts that: (i) are or may become due to the CCAA Parties in respect of obligations arising prior to the date hereof with any amounts that are or may become due from the CCAA Parties in respect of obligations arising on or after the date of this Order; or (ii) are or may become due from the CCAA Parties in respect of obligations arising prior to the date hereof with any amounts that are or may become due to the CCAA Parties in respect of obligations arising on or after the date of this Order, in each case without the consent of the Monitor, or leave of this Court, provided that nothing in this Order shall prejudice any arguments any Person may make in seeking leave of the Court or following the granting of such leave.

CONTINUATION OF SERVICES

22. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the CCAA Parties or statutory or regulatory mandates for the supply of goods, intellectual property, and/or services, including, without limitation, all computer software,

communication and other data services, centralized banking services, cash management services, payroll and benefit services, insurance, transportation services, utility or other services to the Business or the CCAA Parties, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the CCAA Parties, and that the CCAA Parties shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the CCAA Parties in accordance with normal payment practices of the CCAA Parties or such other practices as may be agreed upon by the supplier or service provider and the applicable CCAA Parties and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

23. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration, in each case, provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the CCAA Parties. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

24. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the CCAA Parties with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the CCAA Parties whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the CCAA Parties, if one is filed, is sanctioned by this Court or is refused by the creditors of the CCAA Parties or this Court.

SECURITIES FILINGS

25. **THIS COURT ORDERS** that the decision by the CCAA Parties to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents, and press releases (collectively, the "**Securities Filings**") that may be required by any federal, provincial or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including, without limitation, the *Securities Act* (Ontario), R.S.O., c. S.5 and comparable statutes enacted by other provinces of Canada, the TSX Company Manual and other rules, regulations and policies of the Toronto Stock Exchange and (collectively, the "**Securities Provisions**"), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in Section 11.1(2) of the CCAA as a consequence of the CCAA Parties failing to make Securities Filings required by the Securities Provisions.

26. **THIS COURT ORDERS** that none of the directors, officers, employees, or other representatives of the CCAA Parties nor the Monitor (or its employees, agents and representatives acting in such capacity) shall have any personal liability for any failure by the CCAA Parties to make any Securities Filings required by the Securities Provisions during the Stay Period, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have against the directors, officers, employees and other representatives of the CCAA Parties of a nature described in section 11.1(2) of the CCAA as a consequence of such failure by the CCAA Parties. For greater certainty, nothing in this Order is intended to or shall encroach on the jurisdiction of any securities regulatory authorities (the "**Regulators**") in the matter of regulating the conduct of market participants and to issue or maintain cease trader orders if and when required pursuant to applicable securities law. Further, nothing in this Order shall constitute or be construed as an admission by the Regulators that the Court has jurisdiction over matters that are within the exclusive jurisdiction of the Regulators under the Securities Provisions.

APPOINTMENT OF MONITOR

27. **THIS COURT ORDERS** that FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the CCAA

Parties with the powers and obligations set out in the CCAA or set forth herein and that the CCAA Parties and their shareholders, partners, members, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the CCAA Parties pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

28. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the CCAA Parties' receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) provide the DIP Agent and its counsel with such financial and other information as agreed to with the DIP Agent, which may be used in these proceedings, including reporting on a basis to be agreed with the DIP Agent;

(d) assist the CCAA Parties in their preparation of the CCAA Parties' cash flow statements and reporting required by the DIP Agent, which information shall be reviewed with the Monitor and delivered to the DIP Agent and its counsel on a periodic basis, or as otherwise agreed to by the DIP Agent;

(e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the CCAA Parties, to the extent that is necessary to adequately assess the CCAA Parties' business and financial affairs or to perform its duties arising under this Order;

(f) advise the CCAA Parties in their development of the Plan and any amendments to the Plan;

(g) assist the CCAA Parties, to the extent required by the CCAA Parties, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(h) be at liberty to engage independent legal counsel, advisors, or such other persons, or utilize the services of employees of its affiliates, as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

(i) act as representative (the "**Foreign Representative**") in respect of the within proceedings for the purposes of having these proceedings recognized in a jurisdiction outside of Canada, including acting as a Foreign Representative of the CCAA Parties to apply to the United States Bankruptcy Court for relief pursuant to chapter 15 of the *United States Bankruptcy Code*, 11 U.S.C.§§ 101-1532, as amended (the "**Bankruptcy Code**"); and

(j) perform such other duties as are required by this Order or by this Court from time to time.

29. **THIS COURT ORDERS** that in addition to the powers outlined in paragraphs 27 and 28 and subject to further Orders of the Court, the Monitor is hereby authorized and empowered, but not required, for and on behalf of and in the name of the CCAA Parties and their respective boards of directors (and not in its personal capacity), as the Monitor considers necessary or desirable, in consultation with the DIP Agent, to:

(a) conduct and control the financial affairs and operations of the CCAA Parties and carry on business of any of the CCAA Parties, including, without limitation:

(i) controlling the CCAA Parties' receipts and disbursements;

(ii) executing banking and other transactions and executing any documents or taking any other action that is necessary or appropriate for the purpose of the exercise of this power;

(iii) executing such documents as may be necessary in connection with any proceedings before this Court or pursuant to any Order of this Court;

(iv) taking any action or steps that any of the CCAA Parties can take pursuant to the CCAA, this Order or further Order of this Court, including making distributions or payments;

(v) negotiating and entering into agreements with respect to the Business or the Property;

(vi) applying to the Court for any orders which may be necessary or appropriate in order to convey the Property of any CCAA Party to a purchaser or purchasers thereof;

(vii) exercising any shareholder, partner, member or other rights and privileges available to any of the CCAA Parties for and on behalf and in the name of any of them;

(viii) exercise any powers which may be properly exercised by any board of directors of the CCAA Parties;

(ix) settling, extending or compromising any indebtedness owing to or by the CCAA Parties;

(x) initiating, prosecuting and continuing the prosecution of any and all proceedings and defending all proceedings now pending or hereafter instituted with respect to the CCAA Parties, the Business, the Property or the Monitor and to settle or compromise any such proceeding;

(xi) exercising any rights of the CCAA Parties;

(xii) applying for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and in the name of the CCAA Parties;

(xiii) taking any and all corporate governance actions for the CCAA Parties;

(xiv) providing instruction and direction to the Assistants of the CCAA Parties;

(b) preserve, protect and exercise control over the Business or Property, or any parts thereof, including, without limitation, to:

(i) receive, collect and exercise control over all proceeds of sale of any of the Property;

(ii) exercise all remedies of the CCAA Parties in collecting monies owed or hereafter owing to the CCAA Parties and to enforce any security held by the CCAA Parties;

(iii) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property for any purpose pursuant to this Order;

(c) conduct investigations from time to time, including, without limitation, examining under oath any Person reasonably thought to have knowledge relating to any of the CCAA Parties, the Business or the Property and compelling any such Person to produce any books, records, accountings, correspondence or documents or papers, electronically stored otherwise, in that Person's possession, custody, control or power relating to the CCAA Parties, the Business or the Property; and

(d) take any steps, enter into any agreements, execute any documents, incur any obligations or take any other action necessary, useful or incidental to the exercise of any of the aforesaid powers,

and in each case where the Monitor takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the CCAA Parties, and without interference from any other Person.

30. **THE COURT ORDERS** that the Monitor shall, subject to the Cash Management System, be authorized and empowered, but not required, to operate and control, for and on behalf of and in the name of the CCAA Parties, all of the CCAA Parties' existing accounts at any financial institution (each an "**Account**" and, collectively, the "**Accounts**") in such manner as the Monitor, in its sole discretion, deems necessary or appropriate, including, without limitation, to:

(a) exercise control over the funds credited to or deposited in the Accounts;

(b) effect any disbursement from the Accounts permitted by this Order or any other Order of this Court;

(c) give instructions from time to time with respect to the Accounts and the funds credited or deposited therein, including to transfer the funds credited to or deposited in such Accounts to such other account or accounts as the Monitor may direct; and

(d) add or remove Persons having signing authority with respect to any Account or to direct the closing of any Account.

31. **THE COURT ORDERS** that the CCAA Parties and their directors, officers, employees and agents, accountants, auditors and all other Persons having notice of this Order shall cooperate with the Monitor in discharging its duties and forthwith provide the Monitor with unrestricted access to all of the Business and Property, including, without limitation, the premises, books, records, data, including data in electronic form, and all other documents of the CCAA Parties.

32. **THIS COURT ORDERS** that neither the Monitor nor any employee, representative or agent of the Monitor shall be deemed to: (i) be a director, officer, employee or trustee of the CCAA Parties, (ii) be a legal representative or Person to whom section 150(3) of the *Income Tax Act* (Canada) applies; (iii) assume any obligation of the CCAA Parties or any one of them; or (iv) assume any fiduciary duty towards the CCAA Parties or any other Person, including any creditor or shareholder of the CCAA Parties.

33. **THIS COURT ORDERS** that the Monitor shall not be liable for any employee-related liabilities in respect of the employees of the CCAA Parties, including any successor employer liabilities as provided for in Section 11.8(1) of the CCAA. Nothing in this Order shall cause the Monitor to be liable for any employee-related liabilities in respect of the employees of the CCAA Parties, including wages, severance pay, termination pay, vacation pay, and pension or benefits amounts.

34. **THIS COURT ORDERS** that by fulfilling its obligations hereunder the Monitor shall not be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

35. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

36. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the CCAA Parties with information provided by the CCAA Parties in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the CCAA Parties is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor may agree.

37. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

38. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, including in its capacity as Foreign Representative, and counsel to the Pre-Filing Agent, the Pre-Filing Lenders, the DIP Agent and the DIP Lenders shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on, or subsequent to the date of this Order, by the CCAA Parties, as part of the costs of these proceedings. The CCAA Parties are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, including in its capacity as Foreign Representative, and counsel to the Pre-Filing Agent, Pre-Filing Lenders, DIP Agent and DIP Lenders on such terms as the parties may agree.

39. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

ADMINISTRATION CHARGE

40. **THIS COURT ORDERS** that the Monitor (whether in its capacity as Monitor or Foreign Representative) and counsel to the Monitor and Foreign Representative shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of US$2,000,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 48 and 50 hereof.

DIP FINANCING

41. **THIS COURT ORDERS** that on or after the date of this Order, Chesswood Group Limited is hereby authorized and empowered to borrow from the DIP Lenders in accordance with and subject to the terms of the DIP Term Sheet (each a "**DIP Borrowing**" and, collectively, the "**DIP Borrowings**"), provided that (i) such DIP Borrowings shall not, individually or in the aggregate, exceed US$65,000,000, until further Order of the Court, (ii) between the date of this Order and the entry of the Final Recognition Order (as defined in the DIP Term Sheet) such DIP Borrowings shall not, individually or in the aggregate exceed US$18,500,000, and (iii) such DIP

Borrowings shall be on terms and subject to the conditions, and accrue interest at the rates, set out in the DIP Term Sheet,

42. **THIS COURT ORDERS** that the Monitor, for and on behalf of and in the name of the CCAA Parties, is authorized to execute and deliver the DIP Term Sheet and such credit agreements, security documents, guarantees, and other definitive documents (collectively, the "**Definitive Documents**") as may be required by the DIP Agent or the DIP Financing Majority Lenders (as defined in the DIP Term Sheet) in connection with the DIP Facility and the DIP Term Sheet, and the Monitor is authorized, for and on behalf of and in the name of the CCAA Parties, to pay and perform all of the obligations of the CCAA Parties under the DIP Term Sheet and any Definitive Documents as and when the same become due and are to be performed notwithstanding any other provisions of this Order.

43. **THIS COURT ORDERS** that the DIP Agent shall be entitled to the benefit of and is hereby granted a charge, for and on behalf of the DIP Lenders (the "**DIP Charge**") on the Property of each of the CCAA Parties, which DIP Charge shall not secure any obligation that exists before this Order is made. The DIP Charge shall have the priority set out in paragraphs 48 to 50 hereof.

44. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

(a) the DIP Agent may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Charge or any of the Definitive Documents;

(b) upon the occurrence of an event of default under the DIP Term Sheet, Definitive Documents or the DIP Charge, then upon five (5) business days' notice to the CCAA Parties and the Monitor, the DIP Agent may exercise any and all rights and remedies against the CCAA Parties or the Property pursuant to the DIP Term Sheet, Definitive Documents and DIP Charge, including without limitation, to cease making advances to the CCAA Parties and, subject to further Order of this Court, set off and/or consolidate any amounts owing by the DIP Lenders to any of the CCAA Parties against the obligations of the CCAA Parties to the DIP Lenders under the DIP Term Sheet, Definitive Documents or DIP Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the CCAA Parties or the Property and the appointment of a trustee in bankruptcy of the CCAA Parties; and

(c) the foregoing rights and remedies of the DIP Agent shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the CCAA Parties or the Property.

45. **THIS COURT ORDERS** that no action, inaction or acquiescence by the DIP Lenders, including, without limitation, funding the CCAA Parties' ongoing operations under the DIP Term Sheet and this Order, shall be deemed to be or shall be considered as evidence of any alleged consent by the DIP Lenders to a charge against any of their Collateral (as defined in the DIP Term Sheet) pursuant to the CCAA other than the Charges (as defined below), and the DIP Lenders should not be subject to any other charges on their Collateral, including any surcharges or any limitation on the scope of their Collateral.

46. **THIS COURT ORDERS** that the DIP Agent and DIP Lenders shall be treated as unaffected in any plan of arrangement or compromise filed by the CCAA Parties under the CCAA, or any proposal filed by the CCAA Parties under the *Bankruptcy and Insolvency Act* (the "**BIA**") with respect to any DIP Borrowings.

47. **THIS COURT ORDERS** that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Term Sheet, the Definitive Documents or the DIP Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (a "**Variation**"), such Variation shall not in any way impair, limited or lessen the priority, protections, rights or remedies of the DIP Agent and DIP Lenders, whether under this Order (as made prior to the Variation), the DIP Term Sheet, the Definitive Documents or the DIP Charge with respect to any advances made or obligations incurred prior to the DIP Agent receiving notice of the Variation, and the DIP Agent and DIP Lenders shall be entitled to rely on this Order as issued (including, without limitation, the DIP Charge) for all advances so made and other obligations set out in the DIP Term Sheet or the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

48. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of US$2,000,000); and

Second – DIP Charge;

49. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

50. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts (including deemed or contractual trusts), liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

51. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the CCAA Parties shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, without the prior written consent of the Monitor, the DIP Agent and the beneficiaries of the Charges (collectively, the "**Chargees**"), or further Order of this Court.

52. **THIS COURT ORDERS** that the DIP Term Sheet, the Definitive Documents and the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees, the DIP Agent and/or the DIP Lenders thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) or receivership order(s) issued pursuant to the BIA or otherwise, or any bankruptcy order or receivership order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative

covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the CCAA Parties, and notwithstanding any provision to the contrary in any Agreement:

(a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the CCAA Parties of any Agreement to which it is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the CCAA Parties entering into the DIP Term Sheet, the creation of the Charges, the DIP Borrowings, or the execution, delivery or performance of the Definitive Documents; and

(c) the payments made by the CCAA Parties pursuant to this Order, the DIP Term Sheet or the Definitive Documents, including the DIP Borrowings, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

53. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the CCAA Parties' interests in such real property leases.

SERVICE AND NOTICE

54. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in The Globe and Mail a notice containing the information prescribed under the CCAA, (ii) within five (5) days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner (including by electronic message to the email addresses as last shown in the CCAA Parties' books and records), a notice to all known creditors who have a claim against the CCAA Parties of more than $1000, and (C) prepare a list showing the names and addresses of such creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a)

of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the names and addresses of individuals who are creditors publicly available, unless otherwise ordered by the Court.

55. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a case website shall be established in accordance with the Protocol with the following URL http://cfcanada.fticonsulting.com/Chesswood (the "**Monitor's Website**").

56. **THIS COURT ORDERS** that the Monitor shall create, maintain and update, as necessary, a list of all Persons appearing in person or by counsel in these proceedings (the "Service List"). The Monitor shall post the Service List, as may be updated from time to time, on the Monitor's Website, provided that the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

57. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol or the CCAA and the regulations thereunder is not practicable, the CCAA Parties and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or electronic message to the CCAA Parties' creditors or other interested parties at their respective addresses as last shown in the books and records of the CCAA Parties and that any such service or distribution shall be deemed to be received on the earlier of (i) the date of forwarding thereof, if sent by electronic message on or before 5:00 p.m. prevailing Eastern Time (or on the next business day following the date of forwarding thereof if sent on a non-business day); (ii) the next business day following the date of forwarding thereof, if sent by courier, personal delivery,

facsimile transmission or electronic message sent after 5:00 p.m. prevailing Eastern Time; or (iii) on the third (3rd) business day following the date of forwarding thereof, if sent by ordinary mail.

58. **THE COURT ORDERS** that the CCAA Parties and the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, including any notices, or other correspondence, by forwarding copies thereof by electronic message to the CCAA Parties' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS).

GENERAL

59. **THIS COURT ORDERS** that the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of its powers and duties hereunder.

60. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the CCAA Parties, the Business or the Property.

61. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the CCAA Parties, the Foreign Representative, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the CCAA Parties, the Foreign Representative and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the CCAA Parties, the Foreign Representative and the Monitor and their respective agents in carrying out the terms of this Order.

62. **THIS COURT ORDERS** that each of the CCAA Parties and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or

administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

63. **THIS COURT ORDERS** that any interested party (including the CCAA Parties and the Monitor) may apply to this Court to vary or amend this Order on not less than five (5) calendar days' notice to the Service List and any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

64. **THIS COURT ORDERS** that the Initial Order is hereby amended and restated by this Order.

65. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. prevailing Eastern Time on the date of this Order without the need for entry or filing.

Kimmel J.

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

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.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

AMENDED AND RESTATED INITIAL ORDER

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Lawyers for the Applicant

THIS IS **EXHIBIT "F"**
Referred to in the Affidavit of
DANIEL PALLAG, sworn before me this 6th day
of July 2026.

A Commissioner for Taking Affidavits
JONATHAN BRADFORD
(LSO# 82632P)

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

ONTARIO **SUPERIOR COURT OF JUSTICE**
(COMMERCIAL LIST)

THE HONOURABLE	)	THURSDAY, THE 2ND
	)	
JUSTICE CAVANAGH	)	DAY OF OCTOBER 2025

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, CASE FUNDING INC., CHESSWOOD 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

STAY EXTENSION AND ANCILLARY RELIEF ORDER

THIS MOTION, made by FTI Consulting Canada Inc. ("**FTI**"), in its capacity as monitor (the "**Monitor**") of Chesswood Group Limited, Case Funding Inc., Chesswood Holdings Ltd., Chesswood US Acquisitionco Ltd., Lease-Win Limited, Windset Capital Corporation, Chesswood Capital Management Inc., Chesswood Capital Management USA Inc., 942328 Alberta Inc. (formerly Rifco National Auto Finance Corporation), 908696 Alberta Inc. (formerly Rifco Inc.), 1000390232 Ontario Inc. and CGL Holdco, LLC (collectively, the "**CCAA Parties**" and each a "**CCAA Party**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, *inter alia*, (i) extending the Stay Period, (ii) authorizing each of the Canadian CCAA Parties to make an assignment in bankruptcy, (iii) approving the Monitor's Reports (as defined below) and the activities described therein, (iv) approving the fees and disbursements of the Monitor and the Monitor's legal counsel, Osler, Hoskin and Harcourt LLP ("**Monitor's Counsel**"), as described in the Eighth Report and Supplement to the Eighth

Report (each as hereinafter defined) and the affidavits sworn in support thereof, (v) authorizing certain distributions, and (vi) granting certain related relief, was heard this day by videoconference.

ON READING the Motion Record of the Monitor, including the Eighth Report of the Monitor dated September 9, 2025, and the appendices attached thereto ("**Eighth Report**"), the Supplementary Motion Record of the Monitor, including the Supplement to the Eighth Report of the Monitor dated September 26, 2025, and the appendices attached thereto ("**Supplement to the Eighth Report**"), the affidavits of Jeffrey Rosenberg sworn September 9, 2025, and September 25, 2025, and the exhibits thereto (the "**Rosenberg Fee Affidavits**"), the affidavits of Sean Stidwill sworn September 9, 2025, and September 24, 2025, and exhibits thereto (the "**Stidwill Fee Affidavits**"), and on hearing the submissions of counsel for the Monitor, counsel for the Pre-Filing Agent (as defined in the ARIO), and such other counsel as were present, no one else appearing although duly served as appears from the affidavits of service of Lipi Mishra affirmed September 10 and 26, 2025.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

DEFINED TERMS

2. **THIS COURT ORDERS** that, unless otherwise indicated herein, all capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them in the Amended and Restated Initial Order of this Court dated November 7, 2024 (as amended, the "**ARIO**"), the Eighth Report, or the Supplement to the Eighth Report, as applicable.

STAY EXTENSION

3. **THIS COURT ORDERS** that the Stay Period is hereby extended until and including January 30, 2026.

BANKRUPTCY AUTHORIZATIONS

4. **THIS COURT ORDERS** that: (a) each of the Canadian CCAA Parties is hereby authorized, but not required, to make an assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 ("**BIA**"); (b) the Monitor is hereby authorized and empowered to file any such assignment in bankruptcy for and on behalf of any of the Canadian CCAA Parties, and to take any steps incidental thereto, including, for certainty, to execute, endorse, and file, for and on behalf and in the name of the Canadian CCAA Parties, any documents or instruments of whatever nature as may be necessary or desirable in connection therewith, including in the performance of any statutory obligations of the Canadian CCAA Parties under the BIA; and (c) FTI is hereby authorized and empowered, but not required, to act as trustee in bankruptcy (FTI acting in such capacity, or such other licenced trustee as may be engaged to act as trustee in bankruptcy, the "**Trustee**") in respect of any of the CCAA Parties, and to fund a reasonable retainer to the Trustee from the Wind-Down Reserve. For greater certainty, no resolutions or other authorizations from any director, officer, or shareholder of any Canadian CCAA Party will be required to commence any such bankruptcy proceeding.

5. **THIS COURT ORDERS** that the Trustee shall be and is hereby authorized to administer the bankruptcy estates of the Canadian CCAA Parties as if such estates were in respect of a single bankrupt for the purposes of carrying out its duties and responsibilities as trustee under the BIA (the "**Consolidated Proceedings**") with respect to the administration of bankrupt estates generally, including, without limitation:

(a) administering the bankruptcy estates of the Canadian CCAA Parties under a single court file number and title of proceeding;

(b) sending a notice of the first meeting of creditors (the "**Notice**") in the manner prescribed by section 102 of the BIA by sending a consolidated Notice for all of the Canadian CCAA Parties to accompany the Notice set out in subsection 102(2) of the BIA;

(c) convening meetings of creditors and inspectors in the bankrupt estates of the Canadian CCAA Parties through one combined advertisement and conducting such meetings jointly provided that the results of any creditors' vote shall be separately tabulated for each such bankrupt estate;

(d) using a consolidated form of proof of claim that directs creditors to identify the bankrupt estate in which a claim is made for voting and for distribution purposes;

(e) maintaining a consolidated bank account with respect to the Canadian CCAA Parties' respective bankruptcy estates;

(f) issuing consolidated reports in respect of the bankruptcy estates of the Canadian CCAA Parties;

(g) performing a consolidated making, filing, advertising and distribution of all filings and notices in the bankrupt estates of the Canadian CCAA Parties required under the BIA; and

(h) appointing a single group of inspectors to be the inspectors for the consolidated bankruptcy estates of the Canadian CCAA Parties.

6. **THIS COURT ORDERS** that the Consolidated Proceedings are not a substantive consolidation of the bankrupt estates of the Canadian CCAA Parties and will automatically terminate if the Trustee is replaced as licensed insolvency trustee of any, but not all, of the estates of the Canadian CCAA Parties.

7. **THIS COURT ORDERS** that the Consolidated Proceedings do not:

(a) affect the separate legal status of each of the Canadian CCAA Parties;

(b) cause any of the bankrupt estates of the Canadian CCAA Parties to be liable for any claim for which they would not other otherwise be liable, or cause any of the Canadian CCAA Parties to have any interest in any asset which they otherwise would not have, absent the Consolidated Proceedings; or

(c) affect the filing obligations under the BIA of the Canadian CCAA Parties' estates.

APPROVAL OF THE MONITOR'S REPORTS AND ACTIVITIES AND FEES

8. **THIS COURT ORDERS** that the Supplement to the Fifth Report, Sixth Report, Seventh Report, Eighth Report, and Supplement to the Eighth Report (collectively, the "**Monitor's Reports**"), and the activities and conduct of the Monitor set out therein, are hereby ratified and approved.

9. **THIS COURT ORDERS** that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

APPROVAL OF FEES AND DISBURSEMENTS

10. **THIS COURT ORDERS** that the fees and disbursements of the Monitor for the period from March 1, 2025, to August 31, 2025, as set out in the Rosenberg Fee Affidavits, are hereby approved.

11. **THIS COURT ORDERS** that the fees and disbursements of the Monitor's Counsel for the period from February 12, 2025, to August 31, 2025, as set out in the Stidwill Fee Affidavits, are hereby approved.

DISTRIBUTIONS

12. **THIS COURT AUTHORIZES** the Monitor to distribute the Bishop Residual Amounts, and authorizes and directs the Monitor to, subject to a reserve in respect of post-Filing Date costs or liabilities associated with Wind-Down Activities (excluding costs or liabilities associated with the Records Protocol) in an amount to be agreed by the Monitor and Pre-Filing Agent, distribute any Other Residual Amounts, in each case, to the Pre-Filing Agent (for and on behalf of the Pre- Filing Lenders) as a partial repayment of the obligations of the Loan Parties to the Pre-Filing Lenders under the Existing Credit Agreement.

RECORDS PROTOCOL

13. **THIS COURT ORDERS** that the Records Protocol is hereby authorized and approved, and the Monitor is is authorized to make such arrangements as it deems necessary in its sole discretion for the destruction of any and all Books and Records, whether physical or intangible, subject to the terms of the Records Protocol.

GENERAL

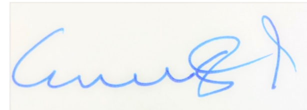
14. **THIS COURT DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.

15. **THIS COURT ORDERS** that the CCAA Parties or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties under this Order, as applicable, or in the interpretation or application of this Order.

16. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the CCAA Parties, the Foreign Representative, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the CCAA Parties, the Foreign Representative and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the CCAA Parties, the Foreign Representative and the Monitor and their respective agents in carrying out the terms of this Order.

17. **THIS COURT ORDERS** that the CCAA Parties and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

18. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. prevailing Eastern Time on the date of this Order without the need for entry and filing.



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

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.

***ONTARIO* SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)**

Proceeding commenced at Toronto

STAY EXTENSION AND ANCILLARY RELIEF ORDER

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Toronto, Ontario M5X 1B8

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Tel: 416-862-4908
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Lawyers for the Monitor

THIS IS **EXHIBIT "G"**
Referred to in the Affidavit of
DANIEL PALLAG, sworn before me this 6th day
of July 2026.

A Commissioner for Taking Affidavits
JONATHAN BRADFORD
(LSO# 82632P)

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	THURSDAY, THE 20th
	)	
JUSTICE CAVANAGH	)	DAY OF NOVEMBER 2025

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, CASE FUNDING INC., CHESSWOOD 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**

ORDER
(LIFTING OF STAY OF PROCEEDINGS)

THIS MOTION, made by Royal Bank of Canada, in capacity as administrative and collateral agent (the "**Agent**") to the lenders under a second amended and restated credit agreement dated as of January 14, 2022, as amended (the "**Pre-Filing Lenders**") for an order, *inter alia*, lifting the stay of proceedings (the "**Stay**") established pursuant to the amended and restated initial order dated November 7, 2024 in the within proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day via Zoom videoconference in Toronto, Ontario.

ON READING the affidavit of Wenwei (Wendy) Chen sworn October 27, 2025 and the Exhibits thereto, the Motion Record of the Agent returnable November 4, 2025 and on hearing the submissions of counsel for the Agent, counsel to FTI Consulting Canada Inc., in its capacity as monitor (the "**Monitor**") of Chesswood Group Limited, Case Funding Inc., Chesswood Holdings Ltd., Chesswood US Acquisitionco Ltd., Lease-Win Limited, Windset Capital Corporation, Chesswood Capital Management Inc., Chesswood Capital Management USA Inc., 942328 Alberta Inc. (formerly Rifco National Auto Finance Corporation), 908696 Alberta Inc.

(formerly Rifco Inc.), 1000390232 Ontario Inc. and CGL Holdco, LLC (collectively, the "**CCAA Parties**" and each a "**CCAA Party**"), and such other counsel present;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

LIFTING OF STAY OF PROCEEDINGS

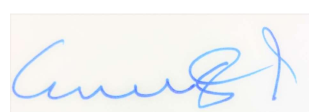
2. **THIS COURT ORDERS** that the Stay be and is hereby lifted solely for the purpose of permitting the Agent, for and on behalf of the Pre-Filing Lenders, to commence and pursue a proceeding at the Ontario Superior Court of Justice against Chesswood Group Limited and certain former directors and officers or senior management figures of the CCAA Parties, substantially in the form of the proposed Statement of Claim attached hereto as **Schedule** "**A**" (the "**Claim**").

3. **THIS COURT ORDERS AND DIRECTS** the Registrar of the Ontario Superior Court of Justice to issue the Claim, subject to payment of the appropriate filing fee.

GENERAL

4. **THIS COURT ORDERS** that there shall be no costs of this motion.

5. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. prevailing Eastern Time on the date of this Order without the need for entry and filing.



SCHEDULE "A"

Proposed Statement of Claim

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

(Court Seal)

ROYAL BANK OF CANADA, in its capacity as Administrative Agent and Collateral Agent to the Lenders

Plaintiff

\- and -

CHESSWOOD GROUP LIMITED, RYAN MARR, TOBIAS RAJCHEL, CHRISTOPHER WALLBANK and DANIEL WITTLIN

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANT

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service in this court office, WITHIN TWENTY DAYS after this Statement of Claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL

FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date ____________________ Issued by ________________________________
Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue, 8th Floor
Toronto ON M5G 1R7

TO: **Chesswood Group Limited**
1133 Yonge Street, Suite 603
Toronto, ON
M4T 2Y7

AND TO: **Ryan Marr**
15 Marlee Avenue
Toronto, ON
M6E 3B1

AND TO: **Tobias Rajchel**
78 Rumsey Road
Maple, ON
L6A 4L8

AND TO: **Christopher Wallbank**
58 Leuty Avenue
Toronto, ON
M4E 2R4

AND TO: **Daniel Wittlin**
96 Dunloe Road
Toronto, ON
M5P 2T8

CLAIM

1. The plaintiff claims, on behalf of the Lenders (as defined herein):

    (a) As against the defendant Chesswood Group Limited ("**Chesswood**"), damages in the amount of at least C$83,000,000 million, or such further amount to be determined, for breach of the Credit Agreement (as defined herein);

    (b) As against the defendants Ryan Marr, Tobias Rajchel, Christopher Wallbank and Daniel Wittlin (the "**Individual Defendants**"), damages in the amount of at least C$83,000,000 million, or such further amount to be determined, for

        (i) negligent supervision and oversight of the calculation of the Borrowing Base (as defined herein), including failure to institute appropriate control mechanisms and processes, and/or failure to adhere to such mechanisms and processes, sufficient to ensure the accuracy of Borrowing Base calculations and the accuracy of the representations made in the Borrowing Base Certificates (as defined herein); and

        (ii) negligent misrepresentation in respect of the Borrowing Base and Borrowing Base Certificates, including *inter alia* in regard to the representation of the correct and accurate calculation of the Borrowing Base, the figures represented, and the representations of certification having been completed by the Chief Financial Officer ("**CFO**") or other requisite officer of Chesswood;

(c) A declaration that the Individual Defendants breached section 248(2) of the *Ontario Business Corporations Act,* R.S.O. 1990, c. B. 16 ("***OBCA***"), by exercising their powers as Directors and Officers of Chesswood in a manner that was oppressive or unfairly prejudicial or that unfairly disregarded the interests of the plaintiff;

(d) If necessary, a declaration that the plaintiff is a proper person to commence an action pursuant to section 248(1) of the *OBCA*;

(e) prejudgment interest in accordance with section 128 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "***CJA***");

(f) postjudgment interest in accordance with section 129 of the *CJA*;

(g) the costs of this proceeding, plus all applicable taxes; and

(h) such further and other relief as to this Honourable Court may seem just.

FACTUAL BACKGROUND

The Parties

2. The plaintiff, Royal Bank of Canada ("**RBC**"), is a Canadian financial institution and Schedule I bank under the *Bank Act,* S.C. 1991, c. 46. As described further below, the plaintiff was the "**Administrative Agent**" and "**Collateral Agent**" to a syndicated group of financial institutions consisting of RBC, The Toronto-Dominion Bank, The Huntington

National Bank, M&T Bank, Canadian Imperial Bank of Commerce, and Laurentian Bank of Canada (collectively, the "**Lenders**").

3. During the material time, the Lenders were party to a revolving secured credit facility with Chesswood, as borrower, pursuant to the Credit Agreement (as defined herein).

4. Chesswood is a holding company based in Toronto, Ontario and incorporated pursuant to the *OBCA*. During the material time, Chesswood's subsidiaries operated in speciality finance across various industries and sectors. The business of these subsidiaries consisted in originating loans and leases, collecting interest and principal thereon, and in certain cases selling or securitizing the loans and leases for payment. During the material time, these subsidiaries included, but were not limited to:

(a) Pawnee Leasing Corporation ("**Pawnee**"), incorporated pursuant to the laws of Colorado, United States and providing equipment financing across a range of credit profiles, principally in the United States;

(b) Rifco National Auto Finance Corporation ("**Rifco**"), incorporated pursuant to the laws of Alberta, Canada and providing vehicle financing for new and used automobiles in Canada;

(c) Vault Credit Corporation ("**Vault Credit**"), incorporated pursuant to the *OBCA* and providing equipment financing principally to small and medium-sized businesses in Canada;

(d) Vault Home Credit Corporation ("**Vault Home**"), incorporated pursuant to the *OBCA* and providing home improvement and other consumer financing solutions to borrowers in Canada; and

(e) Waypoint Investment Partners Inc. ("**Waypoint**"), incorporated pursuant to the *OBCA.* Waypoint is an investment firm offering exposure to, among other things, the equipment financing sector and equipment and consumer financing credit.

5. On October 29, 2024, pursuant to an order of the Ontario Superior Court of Justice (Commercial List), Chesswood and certain of its subsidiaries (collectively, the "**Chesswood Group**") were granted protection from their creditors under the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36 ("***CCAA***") under Court File No. CV-24-00730212-00CL (such proceedings, the "**CCAA Proceedings**"). Shortly before and during the CCAA Proceedings, these subsidiaries (or their assets) were sold to realize proceeds for the benefit of Chesswood's creditors, including the Lenders.

6. Ryan Marr is a former Director, Chief Executive Officer ("**CEO**") and President of Chesswood. Ryan Marr joined Chesswood on or around June 29, 2020, and held the aforementioned positions until his resignation on or around July 8, 2024.

7. Tobias Rajchel is a former CFO, and former CEO and President, of Chesswood. Tobias Rajchel joined Chesswood on or around November 2020 as Vice President, Finance and became CFO on or around March 2021. Tobias Rajchel acted as CFO of Chesswood from March 2021 until his appointment as CEO and President of Chesswood

on or around July 2024. Tobias Rajchel resigned as CEO and President on or around September 2025.

8. Christopher Wallbank is the former Executive Vice President of Funding and Risk Management for Chesswood. Christopher Wallbank joined Chesswood on or around September 2021, and held this position until his termination on or around June 2024.

9. Daniel Wittlin is a former Director of Chesswood. Daniel Wittlin became a Director of Chesswood on June 15, 2021, and resigned his position on or around July 30, 2024, shortly before Ryan Marr's resignation. Daniel Wittlin was, and remains, a Director of Vault Credit and Vault Home, which were subsidiaries of Chesswood during the material time (as stated above) and were purchased by entities controlled by Daniel Wittlin on August 9, 2024.

The Credit Agreement – Overview

10. On January 14, 2022, the plaintiff, as Administrative Agent and Collateral Agent, and the Lenders, as lenders, entered into a second amended and restated credit agreement with Chesswood, as borrower, as later amended or amended and restated from time to time (the "**Credit Agreement**").

11. The Credit Agreement established a revolving secured credit facility with an initial maximum principal amount of U.S.$300,000,000. This amount could be, and was, adjusted in subsequent amendments to the Credit Agreement.

12. To secure its obligations under the Credit Agreement, Chesswood granted the plaintiff a security interest over all of its present and after acquired undertakings and

property (the “**Collateral**”), pursuant to a security agreement dated as of December 8, 2014.

13. In addition, substantially all of Chesswood’s subsidiaries provided guarantees of Chesswood’s obligations under the Credit Agreement. The obligations under those guarantees were also secured by security agreements executed and delivered by each of the subsidiaries who provided guarantees over all of such subsidiaries’ present and after acquired undertakings and property (the “**Subsidiary Collateral**”).

14. Chesswood used the credit facility provided under the Credit Agreement to fund the operations of its subsidiaries.

15. The Credit Agreement designated the plaintiff as Administrative Agent and Collateral Agent to the Lenders.

16. In its role as Administrative Agent, the plaintiff was responsible for administration of the credit facility, including: (a) receiving requests from Chesswood for borrowings under the Credit Agreement and advancing said borrowings to Chesswood on behalf of the Lenders; (b) receiving Borrowing Base Certificates and Compliance Certificates (as defined herein) from Chesswood; and (c) in the event of a default, declaring Chesswood in default on behalf of the Lenders and commencing proceedings in respect of that default pursuant to instructions from the Lenders in accordance with the Credit Agreement.

17. In its role as Collateral Agent, the plaintiff held the Collateral and the Subsidiary Collateral on behalf of, amongst others, the plaintiff, as Administrative Agent and Collateral Agent, and the Lenders (the “**Secured Creditors**”). From time to time, the

plaintiff would release the Secured Creditors' security interest in the Collateral and/or the Subsidiary Collateral in connection with or following certain transactions, in accordance with the Credit Agreement.

The Credit Agreement

The Borrowing Base and the Lending Limit

18. Under the Credit Agreement, Chesswood did not have *carte blanche* to borrow the maximum principal amount stipulated in the Credit Agreement. On the contrary, pursuant to section 2.2(1) of the Credit Agreement, Chesswood's available borrowings could not exceed the "**Lending Limit**", as defined in the Credit Agreement.

19. The Lending Limit was determined by reference to, among other things, a further defined concept called the "**Borrowing Base**." The Borrowing Base represented the value of a predefined set of assets held by certain subsidiaries in the Chesswood Group at a given time. Only assets meeting predefined eligibility criteria qualified for inclusion in the Borrowing Base. For example, loans and leases subject to dispute, counterclaim or set off, or loans and leases which were 61 days or more past due, were ineligible. The eligibility criteria served to ensure that only assets with sufficient creditworthiness formed part of the Borrowing Base.

20. In addition, once sold or securitized by the Chesswood Group, assets no longer formed part of the Borrowing Base. The Borrowing Base consisted only of assets held by, and proprietary to, the Chesswood Group.

21. Further, only a specified percentage of these eligible assets were to be included in the Borrowing Base, which number generally ranged from 65%-85%, depending on the class of asset. This margin discount served to ensure that Chesswood would never have borrowings in excess of approximately 65%-85% of its creditworthy assets. Accordingly, the margin discount provided comfort to the Lenders that they would have sufficient security against the Chesswood Group's assets in the event that Chesswood ever defaulted under the Credit Agreement. Simply put, the Borrowing Base determined the aggregate amount of borrowings that Chesswood could borrow under the Credit Agreement as at the time the Borrowing Base was calculated.

22. As the amount of available borrowings was based on the Borrowing Base, the calculation of the Borrowing Base was integral to the agreement by the Lenders to extend loans to Chesswood, and by extension to the Chesswood Group. Pursuant to section 2.6(6) of the Credit Agreement, in the event that Chesswood's outstanding borrowings exceeded the Lending Limit, Chesswood would be required to pay down such excess to stay below the Lending Limit (the "**Borrowing Base Covenant**"), failing which Chesswood would be in default under section 10.1 of the Credit Agreement (a breach of the Borrowing Base Covenant, along with any other specified default in the Credit Agreement, is hereinafter called an "**Event of Default**").

The Borrowing Base Certificates and the Compliance Certificates

23. The volume and movement of the Chesswood Group's assets meant that independently inspecting or confirming the value and/or quantity of those assets on an ongoing basis was both impractical and cost prohibitive. At all material times, the

Chesswood Group's asset base was constituted by innumerable loans, leases and debt obligations originated and held by the various subsidiaries comprising the Chesswood Group. In addition to the ordinary-course maturation and turnover in the loans, leases and debt obligations, Chesswood's subsidiaries routinely securitized or sold various of its assets to special purpose vehicles, or to securitization funders, some of which assets Chesswood continued to service for such special vehicle entities or securitization funders after they were securitized or sold.

24. As such, the plaintiff did not, nor reasonably could have, independently calculated or confirmed the Borrowing Base at any given time.

25. Instead, the Credit Agreement expressly placed the obligation for calculation and reporting of the Borrowing Base on Chesswood, by way of two forms of reporting certificate prescribed by the Credit Agreement.

26. First, the Credit Agreement required Chesswood, on a monthly basis, to prepare and deliver to the plaintiff a certificate setting out the Borrowing Base in respect of the previous month (the "**Borrowing Base Certificate**"). Borrowing Base Certificates were required to be provided in the form provided in the Credit Agreement, and were required to contain representations confirming, among other things, (i) the Borrowing Base and the value of the classes of eligible assets that constituted the Borrowing Base, (ii) the amount of outstanding borrowings to date, and (iii) the Lending Limit (which, as noted, was derived from the Borrowing Base).

27. The Credit Agreement expressly required that each Borrowing Base Certificate be specifically signed off on by Chesswood's CFO, or another officer "acceptable to the Administrative Agent."

28. Second, in addition to the Borrowing Base Certificate, the Credit Agreement also required Chesswood to provide a certificate on a quarterly basis certifying compliance with the Credit Agreement and affirming that Chesswood was not at that time in default of its obligations under the Credit Agreement (the "**Compliance Certificate**"). The Compliance Certificate also certified various financial amounts required to be provided under the Credit Agreement.

29. The Credit Agreement expressly required that each Compliance Certificate be specifically signed off on by Chesswood's CFO, or another officer "acceptable to the Administrative Agent."

Borrowing Base Reporting and the Discovery of the Borrowing Base Errors

30. During the material time, Chesswood delivered monthly Borrowing Base Certificates, and quarterly Compliance Certificates, as required by the Credit Agreement. In each case, the certificates were shown as executed by either Tobias Rajchel as Chesswood's CFO, or Ryan Marr as Chesswood's CEO. Prior to the events of May 2024, discussed below, the Borrowing Base Certificates at all times showed Chesswood as being within the Lending Limit, based on the Borrowing Base figures presented therein.

31. At all times, the plaintiff and the Lenders relied upon the accuracy of the representations contained in the Borrowing Base Certificates and Compliance Certificates in advancing funds pursuant to the Credit Agreement.

32. Section 8.1(m) of the Credit Agreement granted the Lenders certain rights to inspect Chesswood's financial records. Pursuant to such rights, the plaintiff retained a financial consulting and advisory firm to conduct annual reviews of, among other things, the Borrowing Base.

33. In the course of an annual inspection occurring in May 2024, it was discovered that Chesswood's Borrowing Base Certificate, dated April 15, 2024, appeared to have overstated the Borrowing Base by approximately U.S.$62,000,000, and that Chesswood had exceeded the Lending Limit by approximately U.S.$61,000,000. As noted below, the amount of the Borrowing Base overstatement was subsequently estimated to be approximately U.S.$92,000,000. The amount by which Chesswood's outstanding borrowings exceeded the Lending Limit is hereinafter called the "**Borrowing Base Deficiency**".

34. During or shortly after the review of Chesswood's Borrowing Base in May 2024, Ryan Marr contacted a representative of the plaintiff, and for the first time disclosed the Borrowing Base Deficiency to the plaintiff.

35. On June 14, 2024, the Lenders entered into a Waiver Agreement with the Chesswood Group (as subsequently amended, or amended and restated from time to time, the "**Waiver**"). At the time the Waiver was executed, the Borrowing Base Deficiency was estimated to be approximately U.S.$92,000,000.

36. Pursuant to the Waiver, the Lenders agreed to waive the Events of Default for a limited period of time ("**Waiver Period**"), to permit Chesswood to liquidate certain of its assets to pay down the indebtedness under the Credit Agreement. The Waiver also reduced the amount of aggregate credit available under the Credit Agreement and required Chesswood to deliver Borrowing Base Certificates on a weekly basis (as opposed to the monthly basis previously required under the Credit Agreement). On June 14, 2024, Chesswood issued a news release stating that it was not in compliance with the Borrowing Base Covenant and had entered into the Waiver with the Lenders.

37. On July 22, 2024, Chesswood issued a further news release announcing that it would have to prepare and file restated financial statements and Management's Discussion and Analysis for the three months ended March 31, 2024, due to the Borrowing Base Deficiency.

38. On August 15, 2024, the Ontario Securities Commission issued a Failure to File Cease Trade Order as a result of Chesswood's failure to file interim financial statements and other documentation required under provincial securities laws.

39. During the Waiver Period, Chesswood sold the Vault Home and Vault Credit businesses for C$60,000,000 to entities controlled by the defendant Daniel Wittlin, who had resigned as Director of Chesswood prior to the close of the transaction.

40. However, Chesswood's liquidation efforts were unsuccessful in selling any other of the Chesswood Group's businesses and significant indebtedness remained outstanding to the Lenders under the Credit Agreement. On October 16, 2024, the Waiver expired, reinstating the Events of Default which had been temporarily waived.

41. As at October 24, 2024, Chesswood owed the Lenders U.S.$66,254,723.30 and C$92,797,926.72, plus costs and expenses incurred by the plaintiff and the Lenders, and interest and other amounts associated with letters of credit issued under the Credit Agreement.

42. On October 29, 2024, the plaintiff, for and on behalf of the Lenders, obtained an order from the Ontario Superior Court of Justice (Commercial List) granting the Chesswood Group protection under the *CCAA* and appointing FTI Consulting Canada Inc. as the Monitor (the “**Initial Order**”).

43. At the time of the Initial Order, Chesswood had committed numerous Events of Default in breach of its obligations under the Credit Agreement. The Events of Default (which included the breach of the Borrowing Base Covenant) mainly related to the misrepresentation of the Borrowing Base and the corresponding excess borrowings by Chesswood beyond the Lending Limit.

44. The Chesswood Group remains under CCAA protection. Notwithstanding the realization efforts undertaken during the CCAA Proceedings, at least C$83,000,000 remains owing to the Lenders.

Errors in the Borrowing Base Calculations

45. To the best understanding of the Lenders, it appears that several errors in the calculation of the Borrowing Base contributed to the Borrowing Base Deficiency (the “**Calculation Errors**”). The Lenders’ understanding is set out below. Full particulars of the procedural and substantive errors in the calculation of the Borrowing Base will be

within the knowledge of the Individual Defendants, each of whose involvement and responsibility is also set out below.

46. The Calculation Errors began in at least December 2022 and continued until the plaintiff's discovery of the Borrowing Base Deficiency in May 2024.

47. The plaintiff understands that there were numerous Calculation Errors that occurred between December 2022 and May 2024 which had the effect of misrepresenting and overstating Chesswood's Borrowing Base. Generally, the Calculation Errors were of two kinds: (i) including in the Borrowing Base assets that did not satisfy eligibility criteria as set out in the Credit Agreement; or (ii) including in the Borrowing Base assets which were not proprietary to the relevant Chesswood subsidiary, because they had been sold or securitized by that subsidiary. In all cases, the errors led to material misrepresentations in the Borrowing Base Certificates and Compliance Certificates

48. During the material time, Chesswood's Borrowing Base was primarily constituted by specified assets of the Chesswood subsidiaries Pawnee, Rifco, Vault Credit and Vault Home. These assets were principally accounts and debt obligations owing pursuant to a financing instrument, such as a loan or lease.

49. The Calculation Errors can be categorized according to the subsidiary to which they relate. At present, the plaintiff understands that *at least* the following Calculation Errors occurred between December 2022 and May 2024.

(i) Errors Respecting Pawnee's Assets

50. During the material time, the asset information submitted by Pawnee to Chesswood for calculation of the Borrowing Base included assets which had been securitized and belonged to various securitization facilities associated with Pawnee. These assets were identifiable as securitized, and therefore not proprietary to Pawnee.

51. Various securitized assets were included in Chesswood's Borrowing Base calculations in respect of Pawnee, notwithstanding that these assets were identified by Pawnee as securitized (and therefore not proprietary to Pawnee) and had not been included in the Borrowing Base calculations prior to 2023.

52. This error by itself grossly misrepresented the value of Chesswood's Borrowing Base. The inclusion of the securitized Pawnee assets artificially increased Chesswood's Borrowing Base, (i) for the Borrowing Base as at December 31, 2023, by U.S.$27,272,710, and (ii) for the Borrowing Base as at March 31, 2024, by U.S.$57,980,524.

(ii) Errors Respecting Rifco's Assets

53. During the material time, various loans originated by Rifco, called "**Repair Loans**", were included in the calculation of the Borrowing Base. Repair Loans were ineligible pursuant to the asset eligibility criteria set out in the Credit Agreement. Repair Loans were identifiable as such in the asset information logs provided by Rifco to Chesswood and were not included in Chesswood's Borrowing Base calculations until on or around March 2023.

54. Nevertheless, Chesswood's Borrowing Base calculations from on or around March 2023 until the discovery of the Borrowing Base Deficiency in or around May 2024 included Repair Loans. The inclusion of Repair Loans resulted in an artificial increase of Chesswood's Borrowing Base, (i) for the Borrowing Base as at December 31, 2023, by U.S.$6,730,919, and (ii) for the Borrowing Base as at March 31, 2024, by U.S.$5,822,871.

(iii) Errors Respecting Vault Credit and Vault Home's Assets

55. Vault Credit and Vault Home's asset information tapes submitted to Chesswood contained loans which were labelled "House", indicating that they were held by Vault Credit and Vault Home and had not been sold or securitized to an affiliate or third party.

56. During the material time, certain of Chesswood's Borrowing Base calculations included assets which were not labelled "House", and which therefore were not proprietary to Vault Credit or Vault Home. The inclusion of these assets resulted in an artificial increase of Chesswood's Borrowing Base, (i) for the Borrowing Base as at December 31, 2023, by U.S.$18,327,908 in respect of Vault Home, and (ii) for the Borrowing Base as at March 31, 2024, by U.S.$959,400 in respect of Vault Credit.

Preparation of the Borrowing Base Certificates and Compliance Certificates

57. At all material times, the Borrowing Base Certificate was prepared at the parent level, by Chesswood employees who worked as portfolio analysts, based on asset data submitted by the relevant subsidiaries.

58. These subsidiaries submitted asset data in the form of large electronic files called "**Data Tapes**", which set out the loan and lease portfolios of the subsidiary and associated information, such as accounts receivables aging and cash flow details.

59. As alluded to above, the Data Tapes included assets that did not qualify for inclusion in the Borrowing Base, either because they were ineligible, or because they had been sold or securitized by the applicable subsidiary and therefore did not form part of that subsidiary's asset pool.

60. Upon receipt of the Data Tapes, the Chesswood portfolio analyst would manually copy asset data into a calculation workbook coded with formulas. This calculation workbook yielded Borrowing Base calculations in respect of each applicable subsidiary. The portfolio analyst then combined the Borrowing Base calculations for each subsidiary into a consolidated Microsoft Excel sheet (the "**Consolidation Worksheet**"), setting out the total Borrowing Base in respect of all subsidiaries for reporting to the plaintiff.

61. The defendant Christopher Wallbank exercised immediate supervision over the portfolio analysts' preparation of the Borrowing Base calculations.

62. The defendants Ryan Marr and Tobias Rajchel exercised supervision over Christopher Wallbank, and were ultimately responsible for both supervision of the Borrowing Base preparation and for ensuring the accuracy of Chesswood's certified representations regarding the Borrowing Base and Lending Limit.

63. Upon completion of the Consolidation Worksheet and preparation of the Borrowing Base Certificate, the Chesswood portfolio analyst emailed the draft Borrowing Base

Certificate to Ryan Marr and Tobias Rajchel for approval, copying Christopher Wallbank and certain other Chesswood financial personnel on the email. This process was consistent with Chesswood's Internal Control Program (the "**Control Program**"), dated September 2023, which set out the following protocol for the preparation and review of the Borrowing Base:

(a) After computing the Borrowing Base, the portfolio analyst would send the Borrowing Base calculations to the President and CEO (Ryan Marr) and CFO (Tobias Rajchel) for review;

(b) The Borrowing Base calculations would also be sent to the "EVP Credit" (identified in the Control Program as Christopher Wallbank), and the CFOs of Chesswood's subsidiaries for their reference; and

(c) The President and CEO (Ryan Marr), or the CFO (Tobias Rajchel) as "back up", would issue approval of the Borrowing Base, prior to submission to the plaintiff on behalf of the Lenders.

64. At all material times, Ryan Marr or Tobias Rajchel provided written approval of the Borrowing Base calculations via email.

65. Notwithstanding their conduct in providing written approvals, their obligations pursuant to the Control Program, and their express commitments to the Lenders, neither Ryan Marr nor Tobias Rajchel actually reviewed the portfolio analyst's Borrowing Base calculations. In the alternative, Ryan Marr and Tobias Rajchel failed to adequately or appropriately review the calculations.

66. For his part, Christopher Wallbank failed to adequately or appropriately review the Borrowing Base calculations, despite acting as immediate responsible supervisor to the Chesswood portfolio analyst and being internally regarded as having responsibility for Borrowing Base oversight.

67. The breaches of Ryan Marr, Tobias Rajchel and Christopher Wallbank extended beyond the calculation of the Borrowing Base, and included further contraventions relating to the Borrowing Base Certificates and Compliance Certificates themselves. As expressly mandated by the Credit Agreement, at all material times, the Borrowing Base Certificates contained the signature of Tobias Rajchel. The Lenders reasonably and naturally understood Tobias Rajchel's signature to be authentic, and to reflect his review and certification of the Borrowing Base Certificates. However, on some or all occasions Tobias Rajchel did not actually sign the Borrowing Base Certificates. Instead, his electronic signature was applied to the Borrowing Base Certificate during the preparation and review process of the Borrowing Base. Tobias Rajchel was aware at all times that his signature was being applied by others onto the Borrowing Base Certificate, even though he had not reviewed (or, in the alternative, had not adequately reviewed) the Borrowing Base Certificates.

68. The plaintiff pleads that the placement of Ryan Marr or Tobias Rajchel's signature on the Compliance Certificates was also undertaken on at least some occasions in an improper manner that did not constitute the actual execution or certification of the Compliance Certificate by the purported signing Officer. Full particulars of the Individual Defendants' misconduct relating to the Borrowing Base and Compliance Certificates are

within the knowledge of Ryan Marr, Tobias Rajchel, Christopher Wallbank and Daniel Wittlin.

Changes in Borrowing Base Review Protocol

69. Following the discovery of the Borrowing Base Deficiency in May 2024, Chesswood introduced a new policy for the calculation and review of the Borrowing Base (the "**New Policy**").

70. The New Policy contained several quality control mechanisms to ensure the correctness and accuracy of the Borrowing Base calculations, including:

(a) The CFO of Chesswood would prepare the Borrowing Base.

(b) Concurrently and independently, the CFO of the applicable subsidiary would prepare the Borrowing Base in respect of that subsidiary and submit it to the Chesswood CFO for review. The CFO of the applicable subsidiary would sign a checklist confirming the correctness of asset data used in preparing the subsidiary's Borrowing Base, including the total number of loans and leases, their classification (e.g. eligible versus non-eligible), and stating that any assets sold or securitized were clearly identified as such.

(c) After the Chesswood Borrowing Base and subsidiary Borrowing Base were independently prepared by the Chesswood CFO and the applicable subsidiary's CFO, respectively, both CFOs would sign a checklist confirming their independent Borrowing Base calculations, and that assets sold or securitized were clearly identified as such.

71. These quality control mechanisms were only enacted after the discovery of the Borrowing Base Deficiency and the resulting breach of the Borrowing Base Covenant. The Individual Defendants failed to enact quality control mechanisms to ensure the accuracy of Borrowing Base calculations between December 2022, approximately when the Calculation Errors began, and May 2024, when certain of the Calculation Errors were discovered.

72. The Individual Defendants' responsibilities included ensuring that Chesswood maintained appropriately rigorous controls and procedures. The requirements of the New Policy should have been in place throughout the material time and not only implemented after the Borrowing Base Deficiency had been discovered. In addition to their failures to adhere to even the relatively lax requirements of the Control Policy, as detailed above, the Individual Defendants are responsible for their failure to implement the appropriate New Policy in a timely fashion.

CHESSWOOD'S LIABILITY

Breach of Contract

73. Chesswood is liable to the plaintiff for breach of the Credit Agreement. Chesswood committed Events of Default under the Credit Agreement, as detailed at paragraph 43, which includes breach of the Borrowing Base Covenant. These Events of Default caused the Lenders' losses. In particular, the misstatement of the Borrowing Base and breach of the Borrowing Base Covenant caused the Lenders to advance funds which would not have otherwise been advanced, had Chesswood's Borrowing Base been accurately

represented to the Lenders in the Borrowing Base Certificates and Compliance Certificates.

74. Chesswood is liable for the total amount of indebtedness owing under the Credit Agreement.

THE INDIVIDUAL DEFENDANTS' LIABILITY

Negligent Supervision and Oversight of Borrowing Base

75. The Individual Defendants (Ryan Marr, Tobias Rajchel, Christopher Wallbank and Daniel Wittlin) are liable to the plaintiff for negligent supervision and oversight of the calculation of the Borrowing Base.

76. The Individual Defendants at all times owed the plaintiff a duty of care with respect to the accuracy of Borrowing Base representations. This duty extended to adequately supervising the calculation of the Borrowing Base and the preparation of Borrowing Base Certificates.

77. The Individual Defendants, as members of Chesswood's senior management, and in Daniel Wittlin's case due to his close relationship with Ryan Marr (discussed below), knew or ought to have known that failure to supervise the preparation of the Borrowing Base and adopt quality control mechanisms to verify the accuracy of Borrowing Base calculations could cause losses to the Lenders. The Individual Defendants stood in a proximate relationship with the plaintiff by virtue of, (i) holding positions in Chesswood vested with oversight responsibilities regarding the Borrowing Base calculations, (ii) corresponding with the plaintiff in respect of the Borrowing Base and other matters

pertaining to the Credit Agreement, and (iii) in the case of Ryan Marr and Tobias Rajchel, being specially authorized to sign the Borrowing Base Certificate pursuant to the Credit Agreement, as set out in paragraph 27, above.

78. The defendant Ryan Marr breached the standard of care by:

(a) failing to review the Borrowing Base calculations and Borrowing Base Certificates; or, in the alterative, negligently reviewing the Borrowing Base calculations and Borrowing Base Certificates and failing to detect the Calculation Errors represented therein;

(b) approving Borrowing Base Certificates that grossly overstated the Borrowing Base;

(c) inserting or, in the alternative, allowing Tobias Rajchel's signature to be inserted on the Borrowing Base Certificate, notwithstanding Tobias Rajchel's failure to review or adequately review the Borrowing Base Certificate;

(d) signing Compliance Certificates certifying compliance with the Credit Agreement, when Ryan Marr knew, or ought to have known, that he and the other defendants had not adequately confirmed the calculation of the Borrowing Base so as to ensure compliance with the Borrowing Base Covenant; and

(e) 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.

79. The defendant Tobias Rajchel breached the standard of care by:

(a) failing to review the Borrowing Base calculations and Borrowing Base Certificates, despite being CFO and vested with responsibility to review the Borrowing Base pursuant to the Control Program; or, in the alterative, negligently reviewing the Borrowing Base calculations and Borrowing Base Certificates and failing to detect the Calculation Errors represented therein;

(b) approving Borrowing Base Certificates that grossly overstated the Borrowing Base;

(c) allowing his signature to be inserted on the Borrowing Base Certificates, notwithstanding his failure to review or adequately review the Borrowing Base Certificate; and

(d) 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.

80. The defendant Christopher Wallbank breached the standard of care by:

(a) as the immediate supervisor of the portfolio analyst and therefore responsible for Borrowing Base oversight, failing to supervise the portfolio analyst and detect the Calculation Errors committed in the preparation of the Borrowing Base; and

(b) 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.

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 Wittllin 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 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.

83. The above breaches of the standard of care were the proximate and in fact causes of the Lenders' loss. Had the Individual Defendants adequately reviewed the Borrowing Base calculations or instituted quality control mechanisms to ensure the correctness of those calculations, the Calculation Errors would not have arisen or, in the alternative, the Calculation Errors would have been detected prior to May 2024, when the plaintiff discovered the Borrowing Base Deficiency. In either event, had Chesswood's Borrowing Base been accurately represented, the Lenders would not have loaned funds in excess of the Borrowing Base (as occurred during the material time) and would accordingly not have suffered the losses which ultimately resulted.

Negligent Misrepresentation

84. The Individual Defendants are liable to the plaintiff for negligent misrepresentation in respect of the Borrowing Base.

85. The Individual Defendants owed the plaintiff a duty of care with respect to Borrowing Base representations, for the reasons set out at paragraphs 76-77, above.

86. The Individual Defendants negligently made or contributed to the making of erroneous representations in respect of Chesswood's Borrowing Base, which representations were contained on the Borrowing Base Certificates.

87. In addition, by inserting or allowing to be inserted on the Borrowing Base Certificates the signature of Tobias Rajchel, the defendants Ryan Marr and Tobias Rajchel misrepresented that Tobias Rajchel had reviewed and certified the Borrowing Base Certificate.

88. The plaintiff relied on the truthfulness and accuracy of the Borrowing Base Certificate in deciding to advance funds under the Credit Agreement. The plaintiff also relied on the representation that Tobias Rajchel, as CFO, had reviewed and certified the Borrowing Base Certificate and thereby confirmed the accuracy of its contents.

89. The plaintiff detrimentally relied on these misrepresentations and suffered losses as a result. For the reasons set out at paragraph 83, the misrepresentation of Chesswood's Borrowing Base was the direct and proximate cause of the Lenders' losses.

Oppression

90. As a creditor of Chesswood, the plaintiff is entitled to a declaration that it is a "complainant" within the meaning of sections 245 and 248(1) of the *OBCA.*

91. The plaintiff had a reasonable expectation that the Individual Defendants, as directors and officers of Chesswood, would not act in a manner that was oppressive, unfairly prejudicial or that unfairly disregarded the interests of the plaintiff and the Lenders. In particular, the plaintiff had a reasonable expectation that Chesswood's Borrowing Base Certificates would truthfully represent Chesswood's Borrowing Base, and that the Individual Defendants would oversee the preparation of the Borrowing Base Certificate so as to ensure the accuracy of its contents.

92. This reasonable expectation was grounded in and supported by the provisions of the Credit Agreement, which required Chesswood during the material time to deliver Borrowing Base Certificates every month, and which tethered the availability of borrowings – and therefore the amount of the Lenders' exposure – to the Borrowing Base. In light of the structure of the Credit Agreement, under which the Lenders advanced funds directly and fully on the reliance of Borrowing Base Certificates, the plaintiff believed that the Borrowing Base Certificates would be meticulously and carefully prepared and would correctly and accurately represent the eligible asset base of the Chesswood Group.

93. This reasonable expectation was also grounded in the plaintiff's difficulty to verify the Borrowing Base Certificates on a routine basis, as pleaded at paragraphs 23-24, above. The plaintiff was entirely reliant on Chesswood and the Individual Defendants to correctly and accurately represent the Borrowing Base, as the plaintiff could not reasonably audit or otherwise confirm the veracity of the monthly Borrowing Base Certificates on a regular ongoing basis.

94. The Individual Defendants breached the plaintiff's reasonable expectation for correct and accurate Borrowing Base reporting by (a) negligently making or contributing to the making of erroneous representations respecting Chesswood's Borrowing Base; (b) failing to establish quality control protocols to ensure the integrity of Borrowing Base preparation and the accuracy of Borrowing Base Certificates, and (c) in the case of Ryan Marr, Tobias Rajchel and Christopher Wallbank, failing to adequately oversee and review the Borrowing Base calculations and Borrowing Base Certificates.

95. The Individual Defendants were directly implicated in this oppressive conduct; their actions were, at all material times, a proximate and direct cause of the Borrowing Base Deficiency and the Lenders' resulting losses.

96. Some or all of the Individual Defendants personally benefited from the aforementioned oppressive conduct. Some or all of the Individual Defendants were invested in Chesswood and/or held investments in Chesswood's subsidiary, Waypoint, and benefited from the injection of credit into Chesswood that would not have occurred but for the Borrowing Base misrepresentations.

Damages

97. Currently, Chesswood's indebtedness to the Lenders is in excess of C$83,000,000. Although the CCAA Proceedings are still ongoing, substantially all of the Chesswood Group's assets have been realized upon, subject only to potential tax refunds and miscellaneous proceeds, the amounts of which are not anticipated in the best case to exceed U.S.$1,500,000. Under no scenario would proceeds of the remaining assets be sufficient to repay the Lenders the outstanding indebtedness under the Credit Agreement. For the reasons set out herein, Chesswood is liable to the plaintiff for the total deficiency owing under the Credit Agreement, once finally determined.

98. For the reasons set out herein, the Individual Defendants are also liable to the plaintiff for the full amount of Chesswood's indebtedness to the Lenders, once finally determined.

99. The plaintiff proposes that this action be tried in Toronto.

(Date of issue)

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Lawyers for the Plaintiff

ROYAL BANK OF CANADA, in its capacity as Administrative Agent and Collateral Agent to the Lenders Plaintiff	-and-	CHESSWOOD GROUP LIMITED et al. Defendants	Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

STATEMENT OF CLAIM

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Lawyers for the Plaintiff

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

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.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER
(LIFT OF STAY OF PROCEEDINGS)

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Lawyers for the Agent

THIS IS **EXHIBIT "H"**
Referred to in the Affidavit of
DANIEL PALLAG, sworn before me this 6th day
of July 2026.

A Commissioner for Taking Affidavits
JONATHAN BRADFORD
(LSO# 82632P)

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	FRIDAY, THE 23RD
	)	
JUSTICE CAVANAGH	)	DAY OF JANUARY 2026

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, CASE FUNDING INC., CHESSWOOD 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

CCAA TERMINATION ORDER

THIS MOTION, made by FTI Consulting Canada Inc. ("**FTI**"), in its capacity as monitor (the "**Monitor**") of Chesswood Group Limited ("**Chesswood**"), Case Funding Inc., Chesswood Holdings Ltd., Chesswood US Acquisitionco Ltd., Lease-Win Limited, Windset Capital Corporation, Chesswood Capital Management Inc., Chesswood Capital Management USA Inc., 942328 Alberta Inc. (formerly Rifco National Auto Finance Corporation), 908696 Alberta Inc. (formerly Rifco Inc.), 1000390232 Ontario Inc. and CGL Holdco, LLC (collectively, the "**CCAA Parties**" and each a "**CCAA Party**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, *inter alia*, (i) extending the Stay Period, (ii) terminating these CCAA proceedings upon the service of the CCAA Termination Certificate (as defined below) on the service list in these CCAA proceedings (the "**Service List**"), (iii) terminating and releasing the court-ordered Charges at the CCAA Termination Time (as defined below), (iv) discharging FTI as the Monitor at the CCAA Termination Time, (v) granting certain releases, (vi) authorizing the Books and Records Transfer to Adair Goldblatt Beiber LLP (**"AGB"**), in its capacity as counsel to Chesswood, (vii) approving the Monitor's Reports (as defined below) and the activities described therein, (viii) approving the fees and disbursements of the Monitor and the Monitor's legal counsel, Osler, Hoskin and Harcourt LLP ("**Monitor's Counsel**"), as described in the Ninth Report (as hereinafter defined) and the affidavits sworn in support thereof, and (ix) granting certain related relief, was heard this day by videoconference.

ON READING the Motion Record of the Monitor, including the Ninth Report of the Monitor dated January 16, 2026, and the appendices attached thereto ("**Ninth Report**"), the affidavit of Jeffrey Rosenberg sworn January 16, 2026, and the exhibits thereto (the "**Rosenberg Fee Affidavit**"), the affidavit of Sean Stidwill sworn January 15, 2026, and exhibits thereto (the "**Stidwill Fee Affidavit**"), and on hearing the submissions of counsel for the Monitor, counsel for the Pre-Filing Agent (as defined in the ARIO), and such other counsel as were present, no one else appearing although duly served as appears from the affidavit of service of Davis Haugen affirmed January 19, 2026 and the affidavit of service of Martin Fagnant sworn January 19, 2026.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

DEFINED TERMS

2. **THIS COURT ORDERS** that, unless otherwise indicated herein, all capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them in the Amended and Restated Initial Order of this Court dated November 7, 2024 (as amended, the "**ARIO**") or the Ninth Report, as applicable.

STAY EXTENSION

3. **THIS COURT ORDERS** that the Stay Period is hereby extended until and including the CCAA Termination Time.

TERMINATION OF CCAA PROCEEDINGS

4. **THIS COURT ORDERS** that, upon service by the Monitor of an executed certificate in substantially the form attached hereto as Schedule "A" (the "**CCAA Termination Certificate**") on the Service List certifying that, to the knowledge of the Monitor, all matters to be attended to in connection with these CCAA proceedings have been completed to the satisfaction of the Monitor, these CCAA proceedings shall be automatically terminated without any further Order or act or formality (the "**CCAA Termination Time**"), save and except as provided in this Order, and provided that nothing herein impacts the validity of any Orders made in these CCAA proceedings or any actions or steps taken by any Person pursuant to or as authorized by any Orders of the Court made in these CCAA proceedings.

5. **THIS COURT ORDERS** that the Monitor is hereby directed to file a copy of the CCAA Termination Certificate with the Court as soon as reasonably practicable following service thereof on the Service List.

TERMINATION OF COURT-ORDERED CHARGES

6. **THIS COURT ORDERS** that the Charges set out in the ARIO (as amended by the KERP Approval Order and, for certainty, including the KERP Charge, DIP Charge and Administration Charge) shall be terminated, released and discharged at the CCAA Termination Time without any other act or formality.

DISCHARGE OF THE MONITOR

7. **THIS COURT ORDERS** that, effective at the CCAA Termination Time, FTI shall be and is hereby discharged from its duties as the Monitor in these CCAA proceedings and shall have no further duties, obligations or responsibilities as Monitor from and after the CCAA Termination Time, provided that, notwithstanding the discharge of FTI as Monitor, the Monitor shall have the authority to carry out, complete or address any matters in its role as Monitor that are ancillary or incidental to these CCAA proceedings following the CCAA Termination Time, as may be required ("**Monitor Incidental Matters**"), including, without limitation and to the extent not otherwise completed prior to the CCAA Termination Time, to (i) terminate the Chapter 15 Proceedings, (ii) commence voluntary dissolutions in respect of the US CCAA Parties under applicable law, and (iii) complete the Wind-Down Activities (including release of

any unused portion of the reserve established under paragraph 12 of the Records Protocol Order), and, in each case, the Monitor is hereby authorized to execute, endorse, and file, for and on behalf and in the name of the CCAA Parties, any documents or instruments of whatever nature as may be necessary or desirable in connection therewith.

8. **THIS COURT ORDERS** that any tax refunds (wheresoever located) received by or on behalf of any CCAA Party prior to, on or after the commencement of bankruptcy proceedings in respect of such CCAA Party shall not form part of the bankruptcy estate of such CCAA Party and shall be promptly distributed to the Pre-Filing Agent (for and on behalf of the Pre-Filing Lenders) as a partial repayment of the obligations owing to the Pre-Filing Lenders under the Existing Credit Agreement as part of these CCAA proceedings (whether or not the CCAA Termination Time has occurred).

9. **THIS COURT ORDERS** that, notwithstanding its discharge and the termination of these CCAA proceedings or any other provision of this Order, nothing herein shall affect, vary, derogate from, limit or amend, and FTI and its counsel shall continue to have the benefit of, any of the rights, approvals, releases, and protections in favour of the Monitor at law or pursuant to the CCAA, the ARIO, and any other order of the Court in these CCAA proceedings or otherwise, including in connection with any Monitor Incidental Matters and any other actions taken by FTI pursuant to this Order or with respect to the CCAA Parties or these CCAA proceedings following the CCAA Termination Time, all of which are expressly continued and confirmed.

10. **THIS COURT ORDERS** that effective upon the CCAA Termination Time, the Monitor, its counsel, and each of their respective affiliates and officers, directors, partners, employees and agents (collectively, the "**Released Parties**") are hereby released and discharged from any and all claims that any person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place in any way relating to, arising out of or in respect of the CCAA proceedings, their respective conduct in connection with the CCAA proceedings, or any actions required or steps taken in carrying out any Monitor Incidental Matters (collectively, the "**Released Claims**"), and that any such Released Claims are released, stayed, extinguished and forever barred and the Released Parties shall have no liability in respect thereof, provided that the Released Claims do

not include any claim or liability arising out of any gross negligence or willful misconduct on the part of the Released Parties.

11. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against any Released Party in any way arising from or related to the CCAA proceedings, except with prior leave of this Court on at least seven days' prior written notice to the applicable Released Parties and upon further Order securing, as security for costs, the full indemnity costs of the applicable Released Party in connection with any proposed action or proceeding as the Court hearing the motion for leave to proceed may deem just and appropriate.

BOOKS AND RECORDS TRANSFER

12. **THIS COURT ORDERS** that the Books and Records Transfer to AGB, in its capacity as litigation counsel to Chesswood, by the Monitor is hereby authorized and approved.

13. **THIS COURT ORDERS** that any information rights in favour of the Monitor and/or any trustee in bankruptcy of the CCAA Parties under any of the Purchase Agreements will be available to Chesswood and AGB, and each of them is hereby deemed to be a third-party beneficiary of such rights. For clarity, the Monitor or any trustee in bankruptcy of any of the CCAA Parties shall continue to have the benefit of such rights.

APPROVAL OF THE MONITOR'S REPORTS AND ACTIVITIES AND FEES

14. **THIS COURT ORDERS** that the Ninth Report and the activities and conduct of the Monitor set out therein, are hereby ratified and approved.

15. **THIS COURT ORDERS** that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

APPROVAL OF FEES AND DISBURSEMENTS

16. **THIS COURT ORDERS** that the fees and disbursements of the Monitor for the period from September 1, 2025, to December 31, 2025, (the "**Monitor Approval Period**") as set out in the Rosenberg Fee Affidavit, are hereby approved.

17. **THIS COURT ORDERS** that the fees and disbursements of the Monitor's Counsel for the period from September 1, 2025, to January 12, 2026, (the "**Counsel Approval Period**") as set out in the Stidwill Fee Affidavit, are hereby approved.

18. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and the Monitor's Counsel incurred in the period commencing on expiry of the Monitor Approval Period or Counsel Approval Period, as applicable, and ending on the CCAA Termination Time, or incurred to complete the Monitor's remaining duties and administration of these CCAA proceedings, including any Monitor Incidental Matters, not to exceed $400,000, or such other amount as may be agreed to by the Monitor and the Pre-Filing Agent, in the aggregate (excluding applicable taxes), are hereby approved, and the Monitor and Monitor's Counsel shall not be required to pass their accounts in respect of any further activities in connection with the completion by the Monitor of its remaining duties and administration of these CCAA proceedings, including any Monitor Incidental Matters. The Monitor, on behalf of the CCAA Parties, is authorized to pay such funds from the Wind-Down Reserve, without further application to this Court for approval of such fees.

GENERAL

19. **THIS COURT DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.

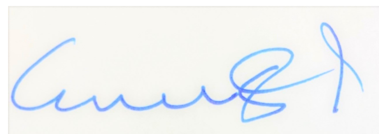
20. **THIS COURT ORDERS** that the CCAA Parties or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties under this Order, as applicable, or in the interpretation or application of this Order.

21. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the CCAA Parties, the Foreign Representative, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the CCAA Parties, the Foreign Representative and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the

CCAA Parties, the Foreign Representative and the Monitor and their respective agents in carrying out the terms of this Order.

22. **THIS COURT ORDERS** that the CCAA Parties and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

23. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. prevailing Eastern Time on the date of this Order without the need for entry and filing.



SCHEDULE "A"

FORM OF CCAA TERMINATION CERTIFICATE

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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, CASE FUNDING INC., CHESSWOOD 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

MONITOR'S CCAA TERMINATION CERTIFICATE

RECITALS

A. FTI Consulting Canada Inc. ("**FTI**") was appointed as the Monitor of Chesswood Group Limited, Case Funding Inc., Chesswood Holdings Ltd., Chesswood US Acquisitionco Ltd., Lease-Win Limited, Windset Capital Corporation, Chesswood Capital Management Inc., Chesswood Capital Management USA Inc., 942328 Alberta Inc. (formerly Rifco National Auto Finance Corporation), 908696 Alberta Inc. (formerly Rifco Inc.), 1000390232 Ontario Inc. and CGL Holdco, LLC (collectively, the "**CCAA Parties**" and each a "**CCAA Party**") in the within proceedings commenced under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") pursuant to an Initial Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated October 29, 2024 (as amended and restated, the "**Initial Order**").

B. Pursuant to an Order of the Court dated January 23, 2026 (the "**CCAA Termination Order**"), among other things, FTI will be discharged as the Monitor and the CCAA proceedings shall be automatically terminated upon the service of this CCAA Termination Certificate on the Service List without any further Order or other acts or formality, all in accordance with the terms of the CCAA Termination Order.

C. Capitalized terms used but not defined herein have the meanings ascribed to them in the CCAA Termination Order.

THE MONITOR CERTIFIES that, to the knowledge of the Monitor, all matters to be attended to in connection with the CCAA proceedings (Court File No. CV-24-00730212-00CL) (the "**CCAA Proceedings**") have been completed to the satisfaction of the Monitor.

ACCORDINGLY, the Monitor now considers it appropriate that the CCAA Proceedings be terminated in accordance with the CCAA Termination Order.

DATED at Toronto, Ontario this ____________ day of ____________, 2026.

____

FTI Consulting Canada Inc., solely in its capacity as Monitor of the CCAA Parties, and not in its personal or corporate capacity

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

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.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

CCAA TERMINATION ORDER

OSLER, HOSKIN & HARCOURT LLP
1 First Canadian Place
100 King Street West, Suite 6200
Toronto, Ontario M5X 1B8

Marc Wasserman LSO#: 44066M
Tel: 416-862-4908
Email: mwasserman@osler.com

Dave Rosenblat LSO#: 64586K
Tel: 416-862-5673
Email: drosenblat@osler.com

Sean Stidwill LSO#: 71078J
Tel: 416-862-4217
Email: sstidwill@osler.com

Lawyers for the Monitor

THIS IS **EXHIBIT "I"**
Referred to in the Affidavit of
DANIEL PALLAG, sworn before me this 6th day
of July 2026.

A Commissioner for Taking Affidavits
JONATHAN BRADFORD
(LSO# 82632P)

Industry Canada / Industrie Canada
Office of the Superintendent of Bankruptcy Canada / Bureau du surintendant des faillites Canada

District of: Ontario
Division No.: 09 - Toronto
Court No.: 31-3332011
Estate No.: 31-3332011

In the Matter of the Bankruptcy of:

Chesswood Group Limited

Debtor

FTI CONSULTING CANADA INC.

Licensed Insolvency Trustee

Ordinary Administration

Date and time of bankruptcy:	February 11, 2026, 07:55	Security:	$0.00
Date of trustee appointment:	February 11, 2026		
Meeting of creditors:	February 24, 2026, 12:00 TD South Tower 79 Wellington St W, Suite 2010 TORONTO, Ontario Canada,		
Chair:	Trustee		

CERTIFICATE OF APPOINTMENT - Section 49 of the Act; Rule 85

I, the undersigned, official receiver in and for this bankruptcy district, do hereby certify that:

- the aforenamed debtor filed an assignment under section 49 of the *Bankruptcy and Insolvency Act*;
- the aforenamed trustee was duly appointed trustee of the estate of the debtor.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable, to call in the prescribed manner a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the official receiver.

Date: February 11, 2026, 07:58

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

THIS IS **EXHIBIT “J”**
Referred to in the Affidavit of
DANIEL PALLAG, sworn before me this 6th day
of July 2026.

A Commissioner for Taking Affidavits
JONATHAN BRADFORD
(LSO# 82632P)

District of: Ontario
Division No. 09 - Toronto
Court No.
Estate No.

[X] Original [ ] Amended

-- Form 78 --

Statement of Affairs (Corporate Bankruptcy)
(Subsection 49(2) and Paragraph 158(d) of the Act / subsections 50(2) and 62(1) of the Act)

In the Matter of the Bankruptcy of
Chesswood Group Limited
of the city of Toronto,
in the Province of Ontario

To the bankrupt:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the bankruptcy, on the 10th day of February 2026. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration by a duly authorized director, if the bankrupt is a corporation, or by yourself, in other cases..

Give reasons for the bankrupt's/debtor's financial difficulty (Select all that apply and provide details):

[ ] Negative market conditions; [ ] Foreign Exchange Fluctuations; [ ] Economic Downturn; [ ] Poor Financial Performance; [ ] Legal Matters (Provide details);
[ ] Lack of Working Capital/Funding; [ ] Competition; [ ] Legislated or Regulatory Restrictions; [ ] Natural Disaster; [ ] Increased Cost of Doing Business;
[ ] Overhead Increasing; [ ] Faulty Infrastructure or Business Model; [ ] Unsuccessful Marketing Initiatives; [ ] Personal Issues; [ ] Poor Management;
[ ] Faulty Accounting; [ ] Tax Liabilities; [ ] Labour; [X] Other (Please specify).

Provide relevant details:

[Other] An order was issued on October 2, 2025, (the "Stay Extension and Ancillary Relief Order"), granting Chesswood Group Limited the authority to make an assignment in bankruptcy pursuant to the Bankruptcy and Insolvency Act, RSC 1985, c. B-3 ("BIA"). Specifically, paragraphs 4 through 7 set out certain authorities granted by the Court as it relates to potential assignment in bankruptcy.

ASSETS
(totals from the list of assets as stated and estimated by bankrupt/debtor)

1. Cash on hand		0.00
2. Deposits in financial institutions		0.00
3. Accounts receivable and other receivables		
Total amount	0.00	
Estimated realizable value	0.00	0.00
4. Inventory		0.00
5. Trade fixtures, etc.		0.00
6. Livestock		0.00
7. Machinery and equipment		0.00
8. Real property or immovables		0.00
9. Furniture		0.00
10. Intangible assets (intellectual properties, licences, cryptocurrencies, digital tokens, etc.)		0.00
11. Vehicles		0.00
12. Securities (shares, bonds, debentures, etc.)		0.00
13. Other property		0.00
Total of lines 1 to 13		0.00
If bankrupt is a corporation, add:		
Amount of subscribed capital	0.00	
Amount paid on capital	0.00	
Balance subscribed and unpaid	0.00	
Estimated to produce	0.00	0.00
Total assets		0.00
Deficiency		-84,222,005.13
Total value of assets located outside Canada included in lines 1 to 13		0.00

LIABILITIES
(totals from the list of liabilities as stated and estimated by bankrupt/debtor)

1. Secured creditors	0.01
2. Preferred creditors, securities, and priorities	0.00
3. Unsecured creditors	84,222,005.12
4. Contingent, trust claims or other liabilities estimated to be provable for	0.00
Total liabilities	84,222,005.13
Surplus	84,222,005.13

FORM 78 -- Continued

List of Assets

Arrange by Nature of asset and number consecutively

No.	Nature of asset [1]	Address/Location	Asset located outside Canada	Details	Percentage of bankrupt's/debtor's interest	Total value of the bankrupt's/debtor's interest	Estimated realizable value	Equity or Surplus	Placeholder (values on this line are for notification
501	Other personal property	n/a	☐	Other	100.00	0.01	0.00	0.00	☐
					Total	**0.01**	**0.00**		

[1] Choose one option for each item: Cash on hand; Deposits in financial institutions; Accounts receivable and other receivables; Inventory; Trade fixtures, etc.; Livestock; Machinery and equipment; Residential rental property; Commercial building; Industrial building; Land; Immovable industrial equipment; Other real property; Furniture; Intangible assets (intellectual properties, licences, cryptocurrencies, digital tokens, etc.); Vehicles; Securities (shares, bonds, debentures, etc.); Bills of exchange, promissory note, etc.; Tax refunds; Other personal property.

Jeffrey Rosenberg

10-Feb-2026
Date

List of Liabilities

No.	Name of creditor or claimant	Address	Nature of liability 2	Details	Date given/ incurred	Amount of Claim: Unsecured	Secured	Preferred/Priorities	Contingent, trust claims or other liabilities	Total amount of claim	Asset securing the liability	Ground for the right to a priority 3	Estimated surplus or (deficit) from security	Place-holder (values on this line are for notifica-tion only)
1	Bloomberg	731 Lexington Avenue New York NY 10022 USA	Other	Other claim or liability		9,692.46	0.00	0.00	0.00	9,692.46			0.00	☐
2	Canada Revenue Agency	Suite 10, 9700 Jasper Ave NW Edmonton AB T5J 4C8	Other	Other claim or liability		0.00	0.00	0.00	0.00	0.00			0.00	☐
3	CBIZ, Inc.	1001 Conshohocken State Road, Suite 1-406 West Conshohocken PA 19428-2906 United States	Other	Other claim or liability		0.00	0.00	0.00	0.00	0.00			0.00	☐
4	CNW	88 Queens Quay West, Suite 3000 Toronto ON M5J 0B8	Other	Other claim or liability		6,042.27	0.00	0.00	0.00	6,042.27			0.00	☐
5	Cogent Canada, Inc.	P.O. Box 46067 Postal Station A Toronto ON M5W 4K9	Other	Other claim or liability		20,478.92	0.00	0.00	0.00	20,478.92			0.00	☐
6	Document Direction Limited	111-52 Scarsdale Road North York ON M3B 2R7	Other	Other claim or liability		153.76	0.00	0.00	0.00	153.76			0.00	☐
7	Duntrune LLP	141 Adelaide Street West, Suite 420 Toronto ON M5H 3L5	Other	Other claim or liability		52,500.00	0.00	0.00	0.00	52,500.00			0.00	☐
8	Employee	N/A N/a N/A	Other	Other claim or liability		0.00	0.00	0.00	0.00	0.00			0.00	☐

Jeffrey Rosenberg

10-Feb-2026
Date

FORM 78 -- Continued

List of Liabilities

No.	Name of creditor or claimant	Address	Nature of liability 2	Details	Date given/ incurred	Amount of Claim: Unsecured	Secured	Preferred/Priorities	Contingent, trust claims or other liabilities	Total amount of claim	Asset securing the liability	Ground for the right to a priority 3	Estimated surplus or (deficit) from security	Place-holder (values on this line are for notification only)
9	EY	100 Adelaide Street West Toronto ON M5H 0B3	Other	Other claim or liability		830,550.00	0.00	0.00	0.00	830,550.00			0.00	☐
10	Finex Group Incorporated	38 Deer Ridge Crescent Kitchener ON N2P 2L3	Other	Other claim or liability		25,241.38	0.00	0.00	0.00	25,241.38			0.00	☐
11	Firmex	110 Spadina Avenue, Suite 700 Toronto ON M5V 2K4	Other	Other claim or liability		0.00	0.00	0.00	0.00	0.00			0.00	☐
12	Majestack	629 York Hill Blvd Thornhill ON L4J 5L9	Other	Other claim or liability		1,837.17	0.00	0.00	0.00	1,837.17			0.00	☐
13	Minnesota Department of Revenue	Mail Station 5130 St. Paul MN 55146-5130 USA	Other	Other claim or liability		0.00	0.00	0.00	0.00	0.00			0.00	☐
14	Morgan Stanley - Solium Capital ULC	Suite 1500 600 3rd Avenue SW Calgary AB T2P 0G5	Other	Other claim or liability		1,819.35	0.00	0.00	0.00	1,819.35			0.00	☐
15	RBC Royal Bank - Global Loans Administration	155 Wellington Street West, 8th Floor Toronto ON M5V 3K7	Other	Other claim or liability	10-Feb-2026	83,205,528.38	0.01	0.00	0.00	83,205,528.39	501		-83,205,528.38	☐
16	Securities Class Action	330 Bay Street, Suite 505 Toronto ON M5H 2S8	Other	Other claim or liability		0.00	0.00	0.00	0.00	0.00			0.00	☐
17	Solulan Global Inc.	106 rue Emilien-Marcoux Blainville QC J7C 0B5	Other	Other claim or liability		930.29	0.00	0.00	0.00	930.29			0.00	☐

Jeffrey Rosenberg

10-Feb-2026

Date

List of Liabilities

No.	Name of creditor or claimant	Address	Nature of liability 2	Details	Date given/ incurred	Amount of Claim					Asset securing the liability	Ground for the right to a priority 3	Estimated surplus or (deficit) from security	Place-holder (values on this line are for notification only)
						Unsecured	Secured	Preferred/Priorities	Contingent, trust claims or other liabilities	Total amount of claim				
18	TSX	301-100 Adelaide St W Toronto ON M5H 4H1	Other	Other claim or liability		861.12	0.00	0.00	0.00	861.12			0.00	☐
19	Vault Mortgage Corporation	41 Scarsdale Road, Suite 5 North York ON M3B 2R2	Other	Other claim or liability		5,679.33	0.00	0.00	0.00	5,679.33			0.00	☐
20	Wells Fargo	PO Box 7446, Station A Toronto ON M5W 3C1	Other	Other claim or liability		577.65	0.00	0.00	0.00	577.65			0.00	☐
21	Wilson Vukelich LLP	60 Columbia Way, 7th Floor Markham ON L3R 0C9	Other	Other claim or liability		42,075.60	0.00	0.00	0.00	42,075.60			0.00	☐
22	Workiva	123 March Street, Suite 202 Sault Ste. Marie ON P6A 2Z5	Other	Other claim or liability		18,037.44	0.00	0.00	0.00	18,037.44			0.00	☐
					Total	**84,222,005.12**	**0.01**	**0.00**	**0.00**	**84,222,005.13**				

[2] Choose one option for each item: Accounts payable; Owed rent; Owed wages; Severance pay; Corporate taxes; Sales taxes; Employee source deductions; Litigation/legal costs and awards; Subordinated debenture; Bills of exchange; Promissory notes; Lien notes; Mortgages or hypothec on real or immovable property; Chattel mortgages or movable hypothec; General Security Agreement; Intercompany loans; Bank loans (except real property mortgage); Finance company loans; Shareholder loans; Shares and subscribed capital; Other claim or liability.

[3] Choose one option for each item with a preferred or priority amount: Unpaid supplier; Farmer, fisherman or aquaculturist; Owed wages; Unpaid amount regarding pension plan; Municipal taxes; Rent; Customer of a bankrupt securities firm; Deemed trust in favour of the Crown; Priming charges and interim financing; Environmental liabilities; Other.

I, Jeffrey Rosenberg, of the city of Toronto in the Province of Ontario, do swear (or solemnly declare) that this statement and the attached lists are, to the best of my knowledge, a full, true and complete statement of the affairs of the Corporation on the 10th day of February 2026 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED) before me at the city of Toronto in the Province of Ontario, on this 10th day of February 2026.

Jeffrey Rosenberg
Senior Managing Director,
FTI Consulting Canada Inc., solely in its
capacity as Court-appointed Monitor of
Chesswood Group Limited
pursuant to its powers outlined in
the Amended and Restated Initial Order and
the Stay Extension and Ancillary Relief Order,
and not in its personal or corporate capacity

THIS IS **EXHIBIT "K"**
Referred to in the Affidavit of
DANIEL PALLAG, sworn before me this 6th day
of July 2026.

____
A Commissioner for Taking Affidavits
JONATHAN BRADFORD
(LSO# 82632P)

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

(Court Seal)

ROYAL BANK OF CANADA, in its capacity as Administrative Agent and Collateral Agent to the Lenders

Plaintiff

- and -

CHESSWOOD GROUP LIMITED, RYAN MARR, TOBIAS RAJCHEL, CHRISTOPHER WALLBANK and DANIEL WITTLIN

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANT

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service in this court office, WITHIN TWENTY DAYS after this Statement of Claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL

FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date ____________________ Issued by ____________________________________
Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue, 8th Floor
Toronto ON M5G 1R7

TO: **Chesswood Group Limited**
1133 Yonge Street, Suite 603
Toronto, ON
M4T 2Y7

Defendant

AND TO: **Ryan Marr**
15 Marlee Avenue
Toronto, ON
M6E 3B1

Defendant

AND TO: **Tobias Rajchel**
78 Rumsey Road
Maple, ON
L6A 4L8

Defendant

AND TO: **Christopher Wallbank**
58 Leuty Avenue
Toronto, ON
M4E 2R4

Defendant

AND TO: **Daniel Wittlin**
96 Dunloe Road
Toronto, ON
M5P 2T8

Defendant

CLAIM

1. The plaintiff claims, on behalf of the Lenders (as defined herein):

   (a) As against the defendant Chesswood Group Limited ("**Chesswood**"), damages in the amount of at least C$83,000,000 million, or such further amount to be determined, for breach of the Credit Agreement (as defined herein);

   (b) As against the defendants Ryan Marr, Tobias Rajchel, Christopher Wallbank and Daniel Wittlin (the "**Individual Defendants**"), damages in the amount of at least C$83,000,000 million, or such further amount to be determined, for

      (i) negligent supervision and oversight of the calculation of the Borrowing Base (as defined herein), including failure to institute appropriate control mechanisms and processes, and/or failure to adhere to such mechanisms and processes, sufficient to ensure the accuracy of Borrowing Base calculations and the accuracy of the representations made in the Borrowing Base Certificates (as defined herein); and

      (ii) negligent misrepresentation in respect of the Borrowing Base and Borrowing Base Certificates, including *inter alia* in regard to the representation of the correct and accurate calculation of the Borrowing Base, the figures represented, and the representations of certification having been completed by the Chief Financial Officer ("**CFO**") or other requisite officer of Chesswood;

(c) A declaration that the Individual Defendants breached section 248(2) of the *Ontario Business Corporations Act,* R.S.O. 1990, c. B. 16 ("***OBCA***"), by exercising their powers as Directors and Officers of Chesswood in a manner that was oppressive or unfairly prejudicial or that unfairly disregarded the interests of the plaintiff;

(d) If necessary, a declaration that the plaintiff is a proper person to commence an action pursuant to section 248(1) of the *OBCA*;

(e) prejudgment interest in accordance with section 128 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "***CJA***");

(f) postjudgment interest in accordance with section 129 of the *CJA*;

(g) the costs of this proceeding, plus all applicable taxes; and

(h) such further and other relief as to this Honourable Court may seem just.

FACTUAL BACKGROUND

The Parties

2. The plaintiff, Royal Bank of Canada ("**RBC**"), is a Canadian financial institution and Schedule I bank under the *Bank Act,* S.C. 1991, c. 46. As described further below, the plaintiff was the "**Administrative Agent**" and "**Collateral Agent**" to a syndicated group of financial institutions consisting of RBC, The Toronto-Dominion Bank, The Huntington

National Bank, M&T Bank, Canadian Imperial Bank of Commerce, and Laurentian Bank of Canada (collectively, the "**Lenders**").

3. During the material time, the Lenders were party to a revolving secured credit facility with Chesswood, as borrower, pursuant to the Credit Agreement (as defined herein).

4. Chesswood is a holding company based in Toronto, Ontario and incorporated pursuant to the *OBCA*. During the material time, Chesswood's subsidiaries operated in speciality finance across various industries and sectors. The business of these subsidiaries consisted in originating loans and leases, collecting interest and principal thereon, and in certain cases selling or securitizing the loans and leases for payment. During the material time, these subsidiaries included, but were not limited to:

(a) Pawnee Leasing Corporation ("**Pawnee**"), incorporated pursuant to the laws of Colorado, United States and providing equipment financing across a range of credit profiles, principally in the United States;

(b) Rifco National Auto Finance Corporation ("**Rifco**"), incorporated pursuant to the laws of Alberta, Canada and providing vehicle financing for new and used automobiles in Canada;

(c) Vault Credit Corporation ("**Vault Credit**"), incorporated pursuant to the *OBCA* and providing equipment financing principally to small and medium-sized businesses in Canada;

(d) Vault Home Credit Corporation ("**Vault Home**"), incorporated pursuant to the *OBCA* and providing home improvement and other consumer financing solutions to borrowers in Canada; and

(e) Waypoint Investment Partners Inc. ("**Waypoint**"), incorporated pursuant to the *OBCA.* Waypoint is an investment firm offering exposure to, among other things, the equipment financing sector and equipment and consumer financing credit.

5. On October 29, 2024, pursuant to an order of the Ontario Superior Court of Justice (Commercial List), Chesswood and certain of its subsidiaries (collectively, the "**Chesswood Group**") were granted protection from their creditors under the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36 ("***CCAA***") under Court File No. CV-24-00730212-00CL (such proceedings, the "**CCAA Proceedings**"). Shortly before and during the CCAA Proceedings, these subsidiaries (or their assets) were sold to realize proceeds for the benefit of Chesswood's creditors, including the Lenders.

6. Ryan Marr is a former Director, Chief Executive Officer ("**CEO**") and President of Chesswood. Ryan Marr joined Chesswood on or around June 29, 2020, and held the aforementioned positions until his resignation on or around July 8, 2024.

7. Tobias Rajchel is a former CFO, and former CEO and President, of Chesswood. Tobias Rajchel joined Chesswood on or around November 2020 as Vice President, Finance and became CFO on or around March 2021. Tobias Rajchel acted as CFO of Chesswood from March 2021 until his appointment as CEO and President of Chesswood

on or around July 2024. Tobias Rajchel resigned as CEO and President on or around September 2025.

8. Christopher Wallbank is the former Executive Vice President of Funding and Risk Management for Chesswood. Christopher Wallbank joined Chesswood on or around September 2021, and held this position until his termination on or around June 2024.

9. Daniel Wittlin is a former Director of Chesswood. Daniel Wittlin became a Director of Chesswood on June 15, 2021, and resigned his position on or around July 30, 2024, shortly before Ryan Marr’s resignation. Daniel Wittlin was, and remains, a Director of Vault Credit and Vault Home, which were subsidiaries of Chesswood during the material time (as stated above) and were purchased by entities controlled by Daniel Wittlin on August 9, 2024.

The Credit Agreement – Overview

10. On January 14, 2022, the plaintiff, as Administrative Agent and Collateral Agent, and the Lenders, as lenders, entered into a second amended and restated credit agreement with Chesswood, as borrower, as later amended or amended and restated from time to time (the “**Credit Agreement**”).

11. The Credit Agreement established a revolving secured credit facility with an initial maximum principal amount of U.S.$300,000,000. This amount could be, and was, adjusted in subsequent amendments to the Credit Agreement.

12. To secure its obligations under the Credit Agreement, Chesswood granted the plaintiff a security interest over all of its present and after acquired undertakings and

property (the "**Collateral**"), pursuant to a security agreement dated as of December 8, 2014.

13. In addition, substantially all of Chesswood's subsidiaries provided guarantees of Chesswood's obligations under the Credit Agreement. The obligations under those guarantees were also secured by security agreements executed and delivered by each of the subsidiaries who provided guarantees over all of such subsidiaries' present and after acquired undertakings and property (the "**Subsidiary Collateral**").

14. Chesswood used the credit facility provided under the Credit Agreement to fund the operations of its subsidiaries.

15. The Credit Agreement designated the plaintiff as Administrative Agent and Collateral Agent to the Lenders.

16. In its role as Administrative Agent, the plaintiff was responsible for administration of the credit facility, including: (a) receiving requests from Chesswood for borrowings under the Credit Agreement and advancing said borrowings to Chesswood on behalf of the Lenders; (b) receiving Borrowing Base Certificates and Compliance Certificates (as defined herein) from Chesswood; and (c) in the event of a default, declaring Chesswood in default on behalf of the Lenders and commencing proceedings in respect of that default pursuant to instructions from the Lenders in accordance with the Credit Agreement.

17. In its role as Collateral Agent, the plaintiff held the Collateral and the Subsidiary Collateral on behalf of, amongst others, the plaintiff, as Administrative Agent and Collateral Agent, and the Lenders (the "**Secured Creditors**"). From time to time, the

plaintiff would release the Secured Creditors' security interest in the Collateral and/or the Subsidiary Collateral in connection with or following certain transactions, in accordance with the Credit Agreement.

The Credit Agreement

The Borrowing Base and the Lending Limit

18. Under the Credit Agreement, Chesswood did not have *carte blanche* to borrow the maximum principal amount stipulated in the Credit Agreement. On the contrary, pursuant to section 2.2(1) of the Credit Agreement, Chesswood's available borrowings could not exceed the "**Lending Limit**", as defined in the Credit Agreement.

19. The Lending Limit was determined by reference to, among other things, a further defined concept called the "**Borrowing Base**." The Borrowing Base represented the value of a predefined set of assets held by certain subsidiaries in the Chesswood Group at a given time. Only assets meeting predefined eligibility criteria qualified for inclusion in the Borrowing Base. For example, loans and leases subject to dispute, counterclaim or set off, or loans and leases which were 61 days or more past due, were ineligible. The eligibility criteria served to ensure that only assets with sufficient creditworthiness formed part of the Borrowing Base.

20. In addition, once sold or securitized by the Chesswood Group, assets no longer formed part of the Borrowing Base. The Borrowing Base consisted only of assets held by, and proprietary to, the Chesswood Group.

21. Further, only a specified percentage of these eligible assets were to be included in the Borrowing Base, which number generally ranged from 65%-85%, depending on the class of asset. This margin discount served to ensure that Chesswood would never have borrowings in excess of approximately 65%-85% of its creditworthy assets. Accordingly, the margin discount provided comfort to the Lenders that they would have sufficient security against the Chesswood Group's assets in the event that Chesswood ever defaulted under the Credit Agreement. Simply put, the Borrowing Base determined the aggregate amount of borrowings that Chesswood could borrow under the Credit Agreement as at the time the Borrowing Base was calculated.

22. As the amount of available borrowings was based on the Borrowing Base, the calculation of the Borrowing Base was integral to the agreement by the Lenders to extend loans to Chesswood, and by extension to the Chesswood Group. Pursuant to section 2.6(6) of the Credit Agreement, in the event that Chesswood's outstanding borrowings exceeded the Lending Limit, Chesswood would be required to pay down such excess to stay below the Lending Limit (the "**Borrowing Base Covenant**"), failing which Chesswood would be in default under section 10.1 of the Credit Agreement (a breach of the Borrowing Base Covenant, along with any other specified default in the Credit Agreement, is hereinafter called an "**Event of Default**").

The Borrowing Base Certificates and the Compliance Certificates

23. The volume and movement of the Chesswood Group's assets meant that independently inspecting or confirming the value and/or quantity of those assets on an ongoing basis was both impractical and cost prohibitive. At all material times, the

Chesswood Group's asset base was constituted by innumerable loans, leases and debt obligations originated and held by the various subsidiaries comprising the Chesswood Group. In addition to the ordinary-course maturation and turnover in the loans, leases and debt obligations, Chesswood's subsidiaries routinely securitized or sold various of its assets to special purpose vehicles, or to securitization funders, some of which assets Chesswood continued to service for such special vehicle entities or securitization funders after they were securitized or sold.

24. As such, the plaintiff did not, nor reasonably could have, independently calculated or confirmed the Borrowing Base at any given time.

25. Instead, the Credit Agreement expressly placed the obligation for calculation and reporting of the Borrowing Base on Chesswood, by way of two forms of reporting certificate prescribed by the Credit Agreement.

26. First, the Credit Agreement required Chesswood, on a monthly basis, to prepare and deliver to the plaintiff a certificate setting out the Borrowing Base in respect of the previous month (the "**Borrowing Base Certificate**"). Borrowing Base Certificates were required to be provided in the form provided in the Credit Agreement, and were required to contain representations confirming, among other things, (i) the Borrowing Base and the value of the classes of eligible assets that constituted the Borrowing Base, (ii) the amount of outstanding borrowings to date, and (iii) the Lending Limit (which, as noted, was derived from the Borrowing Base).

27. The Credit Agreement expressly required that each Borrowing Base Certificate be specifically signed off on by Chesswood's CFO, or another officer "acceptable to the Administrative Agent."

28. Second, in addition to the Borrowing Base Certificate, the Credit Agreement also required Chesswood to provide a certificate on a quarterly basis certifying compliance with the Credit Agreement and affirming that Chesswood was not at that time in default of its obligations under the Credit Agreement (the "**Compliance Certificate**"). The Compliance Certificate also certified various financial amounts required to be provided under the Credit Agreement.

29. The Credit Agreement expressly required that each Compliance Certificate be specifically signed off on by Chesswood's CFO, or another officer "acceptable to the Administrative Agent."

Borrowing Base Reporting and the Discovery of the Borrowing Base Errors

30. During the material time, Chesswood delivered monthly Borrowing Base Certificates, and quarterly Compliance Certificates, as required by the Credit Agreement. In each case, the certificates were shown as executed by either Tobias Rajchel as Chesswood's CFO, or Ryan Marr as Chesswood's CEO. Prior to the events of May 2024, discussed below, the Borrowing Base Certificates at all times showed Chesswood as being within the Lending Limit, based on the Borrowing Base figures presented therein.

31. At all times, the plaintiff and the Lenders relied upon the accuracy of the representations contained in the Borrowing Base Certificates and Compliance Certificates in advancing funds pursuant to the Credit Agreement.

32. Section 8.1(m) of the Credit Agreement granted the Lenders certain rights to inspect Chesswood's financial records. Pursuant to such rights, the plaintiff retained a financial consulting and advisory firm to conduct annual reviews of, among other things, the Borrowing Base.

33. In the course of an annual inspection occurring in May 2024, it was discovered that Chesswood's Borrowing Base Certificate, dated April 15, 2024, appeared to have overstated the Borrowing Base by approximately U.S.$62,000,000, and that Chesswood had exceeded the Lending Limit by approximately U.S.$61,000,000. As noted below, the amount of the Borrowing Base overstatement was subsequently estimated to be approximately U.S.$92,000,000. The amount by which Chesswood's outstanding borrowings exceeded the Lending Limit is hereinafter called the "**Borrowing Base Deficiency**".

34. During or shortly after the review of Chesswood's Borrowing Base in May 2024, Ryan Marr contacted a representative of the plaintiff, and for the first time disclosed the Borrowing Base Deficiency to the plaintiff.

35. On June 14, 2024, the Lenders entered into a Waiver Agreement with the Chesswood Group (as subsequently amended, or amended and restated from time to time, the "**Waiver**"). At the time the Waiver was executed, the Borrowing Base Deficiency was estimated to be approximately U.S.$92,000,000.

36. Pursuant to the Waiver, the Lenders agreed to waive the Events of Default for a limited period of time ("**Waiver Period**"), to permit Chesswood to liquidate certain of its assets to pay down the indebtedness under the Credit Agreement. The Waiver also reduced the amount of aggregate credit available under the Credit Agreement and required Chesswood to deliver Borrowing Base Certificates on a weekly basis (as opposed to the monthly basis previously required under the Credit Agreement). On June 14, 2024, Chesswood issued a news release stating that it was not in compliance with the Borrowing Base Covenant and had entered into the Waiver with the Lenders.

37. On July 22, 2024, Chesswood issued a further news release announcing that it would have to prepare and file restated financial statements and Management's Discussion and Analysis for the three months ended March 31, 2024, due to the Borrowing Base Deficiency.

38. On August 15, 2024, the Ontario Securities Commission issued a Failure to File Cease Trade Order as a result of Chesswood's failure to file interim financial statements and other documentation required under provincial securities laws.

39. During the Waiver Period, Chesswood sold the Vault Home and Vault Credit businesses for C$60,000,000 to entities controlled by the defendant Daniel Wittlin, who had resigned as Director of Chesswood prior to the close of the transaction.

40. However, Chesswood's liquidation efforts were unsuccessful in selling any other of the Chesswood Group's businesses and significant indebtedness remained outstanding to the Lenders under the Credit Agreement. On October 16, 2024, the Waiver expired, reinstating the Events of Default which had been temporarily waived.

41. As at October 24, 2024, Chesswood owed the Lenders U.S.$66,254,723.30 and C$92,797,926.72, plus costs and expenses incurred by the plaintiff and the Lenders, and interest and other amounts associated with letters of credit issued under the Credit Agreement.

42. On October 29, 2024, the plaintiff, for and on behalf of the Lenders, obtained an order from the Ontario Superior Court of Justice (Commercial List) granting the Chesswood Group protection under the *CCAA* and appointing FTI Consulting Canada Inc. as the Monitor (the "**Initial Order**").

43. At the time of the Initial Order, Chesswood had committed numerous Events of Default in breach of its obligations under the Credit Agreement. The Events of Default (which included the breach of the Borrowing Base Covenant) mainly related to the misrepresentation of the Borrowing Base and the corresponding excess borrowings by Chesswood beyond the Lending Limit.

44. The Chesswood Group remains under CCAA protection. Notwithstanding the realization efforts undertaken during the CCAA Proceedings, at least C$83,000,000 remains owing to the Lenders.

Errors in the Borrowing Base Calculations

45. To the best understanding of the Lenders, it appears that several errors in the calculation of the Borrowing Base contributed to the Borrowing Base Deficiency (the "**Calculation Errors**"). The Lenders' understanding is set out below. Full particulars of the procedural and substantive errors in the calculation of the Borrowing Base will be

within the knowledge of the Individual Defendants, each of whose involvement and responsibility is also set out below.

46. The Calculation Errors began in at least December 2022 and continued until the plaintiff's discovery of the Borrowing Base Deficiency in May 2024.

47. The plaintiff understands that there were numerous Calculation Errors that occurred between December 2022 and May 2024 which had the effect of misrepresenting and overstating Chesswood's Borrowing Base. Generally, the Calculation Errors were of two kinds: (i) including in the Borrowing Base assets that did not satisfy eligibility criteria as set out in the Credit Agreement; or (ii) including in the Borrowing Base assets which were not proprietary to the relevant Chesswood subsidiary, because they had been sold or securitized by that subsidiary. In all cases, the errors led to material misrepresentations in the Borrowing Base Certificates and Compliance Certificates

48. During the material time, Chesswood's Borrowing Base was primarily constituted by specified assets of the Chesswood subsidiaries Pawnee, Rifco, Vault Credit and Vault Home. These assets were principally accounts and debt obligations owing pursuant to a financing instrument, such as a loan or lease.

49. The Calculation Errors can be categorized according to the subsidiary to which they relate. At present, the plaintiff understands that *at least* the following Calculation Errors occurred between December 2022 and May 2024.

(i) Errors Respecting Pawnee's Assets

50. During the material time, the asset information submitted by Pawnee to Chesswood for calculation of the Borrowing Base included assets which had been securitized and belonged to various securitization facilities associated with Pawnee. These assets were identifiable as securitized, and therefore not proprietary to Pawnee.

51. Various securitized assets were included in Chesswood's Borrowing Base calculations in respect of Pawnee, notwithstanding that these assets were identified by Pawnee as securitized (and therefore not proprietary to Pawnee) and had not been included in the Borrowing Base calculations prior to 2023.

52. This error by itself grossly misrepresented the value of Chesswood's Borrowing Base. The inclusion of the securitized Pawnee assets artificially increased Chesswood's Borrowing Base, (i) for the Borrowing Base as at December 31, 2023, by U.S.$27,272,710, and (ii) for the Borrowing Base as at March 31, 2024, by U.S.$57,980,524.

(ii) Errors Respecting Rifco's Assets

53. During the material time, various loans originated by Rifco, called "**Repair Loans**", were included in the calculation of the Borrowing Base. Repair Loans were ineligible pursuant to the asset eligibility criteria set out in the Credit Agreement. Repair Loans were identifiable as such in the asset information logs provided by Rifco to Chesswood and were not included in Chesswood's Borrowing Base calculations until on or around March 2023.

54. Nevertheless, Chesswood's Borrowing Base calculations from on or around March 2023 until the discovery of the Borrowing Base Deficiency in or around May 2024 included Repair Loans. The inclusion of Repair Loans resulted in an artificial increase of Chesswood's Borrowing Base, (i) for the Borrowing Base as at December 31, 2023, by U.S.$6,730,919, and (ii) for the Borrowing Base as at March 31, 2024, by U.S.$5,822,871.

(iii) Errors Respecting Vault Credit and Vault Home's Assets

55. Vault Credit and Vault Home's asset information tapes submitted to Chesswood contained loans which were labelled "House", indicating that they were held by Vault Credit and Vault Home and had not been sold or securitized to an affiliate or third party.

56. During the material time, certain of Chesswood's Borrowing Base calculations included assets which were not labelled "House", and which therefore were not proprietary to Vault Credit or Vault Home. The inclusion of these assets resulted in an artificial increase of Chesswood's Borrowing Base, (i) for the Borrowing Base as at December 31, 2023, by U.S.$18,327,908 in respect of Vault Home, and (ii) for the Borrowing Base as at March 31, 2024, by U.S.$959,400 in respect of Vault Credit.

Preparation of the Borrowing Base Certificates and Compliance Certificates

57. At all material times, the Borrowing Base Certificate was prepared at the parent level, by Chesswood employees who worked as portfolio analysts, based on asset data submitted by the relevant subsidiaries.

58. These subsidiaries submitted asset data in the form of large electronic files called "**Data Tapes**", which set out the loan and lease portfolios of the subsidiary and associated information, such as accounts receivables aging and cash flow details.

59. As alluded to above, the Data Tapes included assets that did not qualify for inclusion in the Borrowing Base, either because they were ineligible, or because they had been sold or securitized by the applicable subsidiary and therefore did not form part of that subsidiary's asset pool.

60. Upon receipt of the Data Tapes, the Chesswood portfolio analyst would manually copy asset data into a calculation workbook coded with formulas. This calculation workbook yielded Borrowing Base calculations in respect of each applicable subsidiary. The portfolio analyst then combined the Borrowing Base calculations for each subsidiary into a consolidated Microsoft Excel sheet (the "**Consolidation Worksheet**"), setting out the total Borrowing Base in respect of all subsidiaries for reporting to the plaintiff.

61. The defendant Christopher Wallbank exercised immediate supervision over the portfolio analysts' preparation of the Borrowing Base calculations.

62. The defendants Ryan Marr and Tobias Rajchel exercised supervision over Christopher Wallbank, and were ultimately responsible for both supervision of the Borrowing Base preparation and for ensuring the accuracy of Chesswood's certified representations regarding the Borrowing Base and Lending Limit.

63. Upon completion of the Consolidation Worksheet and preparation of the Borrowing Base Certificate, the Chesswood portfolio analyst emailed the draft Borrowing Base

Certificate to Ryan Marr and Tobias Rajchel for approval, copying Christopher Wallbank and certain other Chesswood financial personnel on the email. This process was consistent with Chesswood's Internal Control Program (the "**Control Program**"), dated September 2023, which set out the following protocol for the preparation and review of the Borrowing Base:

(a) After computing the Borrowing Base, the portfolio analyst would send the Borrowing Base calculations to the President and CEO (Ryan Marr) and CFO (Tobias Rajchel) for review;

(b) The Borrowing Base calculations would also be sent to the "EVP Credit" (identified in the Control Program as Christopher Wallbank), and the CFOs of Chesswood's subsidiaries for their reference; and

(c) The President and CEO (Ryan Marr), or the CFO (Tobias Rajchel) as "back up", would issue approval of the Borrowing Base, prior to submission to the plaintiff on behalf of the Lenders.

64. At all material times, Ryan Marr or Tobias Rajchel provided written approval of the Borrowing Base calculations via email.

65. Notwithstanding their conduct in providing written approvals, their obligations pursuant to the Control Program, and their express commitments to the Lenders, neither Ryan Marr nor Tobias Rajchel actually reviewed the portfolio analyst's Borrowing Base calculations. In the alternative, Ryan Marr and Tobias Rajchel failed to adequately or appropriately review the calculations.

66. For his part, Christopher Wallbank failed to adequately or appropriately review the Borrowing Base calculations, despite acting as immediate responsible supervisor to the Chesswood portfolio analyst and being internally regarded as having responsibility for Borrowing Base oversight.

67. The breaches of Ryan Marr, Tobias Rajchel and Christopher Wallbank extended beyond the calculation of the Borrowing Base, and included further contraventions relating to the Borrowing Base Certificates and Compliance Certificates themselves. As expressly mandated by the Credit Agreement, at all material times, the Borrowing Base Certificates contained the signature of Tobias Rajchel. The Lenders reasonably and naturally understood Tobias Rajchel's signature to be authentic, and to reflect his review and certification of the Borrowing Base Certificates. However, on some or all occasions Tobias Rajchel did not actually sign the Borrowing Base Certificates. Instead, his electronic signature was applied to the Borrowing Base Certificate during the preparation and review process of the Borrowing Base. Tobias Rajchel was aware at all times that his signature was being applied by others onto the Borrowing Base Certificate, even though he had not reviewed (or, in the alternative, had not adequately reviewed) the Borrowing Base Certificates.

68. The plaintiff pleads that the placement of Ryan Marr or Tobias Rajchel's signature on the Compliance Certificates was also undertaken on at least some occasions in an improper manner that did not constitute the actual execution or certification of the Compliance Certificate by the purported signing Officer. Full particulars of the Individual Defendants' misconduct relating to the Borrowing Base and Compliance Certificates are

within the knowledge of Ryan Marr, Tobias Rajchel, Christopher Wallbank and Daniel Wittlin.

Changes in Borrowing Base Review Protocol

69. Following the discovery of the Borrowing Base Deficiency in May 2024, Chesswood introduced a new policy for the calculation and review of the Borrowing Base (the "**New Policy**").

70. The New Policy contained several quality control mechanisms to ensure the correctness and accuracy of the Borrowing Base calculations, including:

(a) The CFO of Chesswood would prepare the Borrowing Base.

(b) Concurrently and independently, the CFO of the applicable subsidiary would prepare the Borrowing Base in respect of that subsidiary and submit it to the Chesswood CFO for review. The CFO of the applicable subsidiary would sign a checklist confirming the correctness of asset data used in preparing the subsidiary's Borrowing Base, including the total number of loans and leases, their classification (e.g. eligible versus non-eligible), and stating that any assets sold or securitized were clearly identified as such.

(c) After the Chesswood Borrowing Base and subsidiary Borrowing Base were independently prepared by the Chesswood CFO and the applicable subsidiary's CFO, respectively, both CFOs would sign a checklist confirming their independent Borrowing Base calculations, and that assets sold or securitized were clearly identified as such.

71. These quality control mechanisms were only enacted after the discovery of the Borrowing Base Deficiency and the resulting breach of the Borrowing Base Covenant. The Individual Defendants failed to enact quality control mechanisms to ensure the accuracy of Borrowing Base calculations between December 2022, approximately when the Calculation Errors began, and May 2024, when certain of the Calculation Errors were discovered.

72. The Individual Defendants' responsibilities included ensuring that Chesswood maintained appropriately rigorous controls and procedures. The requirements of the New Policy should have been in place throughout the material time and not only implemented after the Borrowing Base Deficiency had been discovered. In addition to their failures to adhere to even the relatively lax requirements of the Control Policy, as detailed above, the Individual Defendants are responsible for their failure to implement the appropriate New Policy in a timely fashion.

CHESSWOOD'S LIABILITY

Breach of Contract

73. Chesswood is liable to the plaintiff for breach of the Credit Agreement. Chesswood committed Events of Default under the Credit Agreement, as detailed at paragraph 43, which includes breach of the Borrowing Base Covenant. These Events of Default caused the Lenders' losses. In particular, the misstatement of the Borrowing Base and breach of the Borrowing Base Covenant caused the Lenders to advance funds which would not have otherwise been advanced, had Chesswood's Borrowing Base been accurately

represented to the Lenders in the Borrowing Base Certificates and Compliance Certificates.

74. Chesswood is liable for the total amount of indebtedness owing under the Credit Agreement.

THE INDIVIDUAL DEFENDANTS' LIABILITY

Negligent Supervision and Oversight of Borrowing Base

75. The Individual Defendants (Ryan Marr, Tobias Rajchel, Christopher Wallbank and Daniel Wittlin) are liable to the plaintiff for negligent supervision and oversight of the calculation of the Borrowing Base.

76. The Individual Defendants at all times owed the plaintiff a duty of care with respect to the accuracy of Borrowing Base representations. This duty extended to adequately supervising the calculation of the Borrowing Base and the preparation of Borrowing Base Certificates.

77. The Individual Defendants, as members of Chesswood's senior management, and in Daniel Wittlin's case due to his close relationship with Ryan Marr (discussed below), knew or ought to have known that failure to supervise the preparation of the Borrowing Base and adopt quality control mechanisms to verify the accuracy of Borrowing Base calculations could cause losses to the Lenders. The Individual Defendants stood in a proximate relationship with the plaintiff by virtue of, (i) holding positions in Chesswood vested with oversight responsibilities regarding the Borrowing Base calculations, (ii) corresponding with the plaintiff in respect of the Borrowing Base and other matters

pertaining to the Credit Agreement, and (iii) in the case of Ryan Marr and Tobias Rajchel, being specially authorized to sign the Borrowing Base Certificate pursuant to the Credit Agreement, as set out in paragraph 27, above.

78. The defendant Ryan Marr breached the standard of care by:

(a) failing to review the Borrowing Base calculations and Borrowing Base Certificates; or, in the alterative, negligently reviewing the Borrowing Base calculations and Borrowing Base Certificates and failing to detect the Calculation Errors represented therein;

(b) approving Borrowing Base Certificates that grossly overstated the Borrowing Base;

(c) inserting or, in the alternative, allowing Tobias Rajchel's signature to be inserted on the Borrowing Base Certificate, notwithstanding Tobias Rajchel's failure to review or adequately review the Borrowing Base Certificate;

(d) signing Compliance Certificates certifying compliance with the Credit Agreement, when Ryan Marr knew, or ought to have known, that he and the other defendants had not adequately confirmed the calculation of the Borrowing Base so as to ensure compliance with the Borrowing Base Covenant; and

(e) 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.

79. The defendant Tobias Rajchel breached the standard of care by:

(a) failing to review the Borrowing Base calculations and Borrowing Base Certificates, despite being CFO and vested with responsibility to review the Borrowing Base pursuant to the Control Program; or, in the alterative, negligently reviewing the Borrowing Base calculations and Borrowing Base Certificates and failing to detect the Calculation Errors represented therein;

(b) approving Borrowing Base Certificates that grossly overstated the Borrowing Base;

(c) allowing his signature to be inserted on the Borrowing Base Certificates, notwithstanding his failure to review or adequately review the Borrowing Base Certificate; and

(d) 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.

80. The defendant Christopher Wallbank breached the standard of care by:

(a) as the immediate supervisor of the portfolio analyst and therefore responsible for Borrowing Base oversight, failing to supervise the portfolio analyst and detect the Calculation Errors committed in the preparation of the Borrowing Base; and

(b) 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.

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 Wittllin 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 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.

83. The above breaches of the standard of care were the proximate and in fact causes of the Lenders' loss. Had the Individual Defendants adequately reviewed the Borrowing Base calculations or instituted quality control mechanisms to ensure the correctness of those calculations, the Calculation Errors would not have arisen or, in the alternative, the Calculation Errors would have been detected prior to May 2024, when the plaintiff discovered the Borrowing Base Deficiency. In either event, had Chesswood's Borrowing Base been accurately represented, the Lenders would not have loaned funds in excess of the Borrowing Base (as occurred during the material time) and would accordingly not have suffered the losses which ultimately resulted.

Negligent Misrepresentation

84. The Individual Defendants are liable to the plaintiff for negligent misrepresentation in respect of the Borrowing Base.

85. The Individual Defendants owed the plaintiff a duty of care with respect to Borrowing Base representations, for the reasons set out at paragraphs 76-77, above.

86. The Individual Defendants negligently made or contributed to the making of erroneous representations in respect of Chesswood's Borrowing Base, which representations were contained on the Borrowing Base Certificates.

87. In addition, by inserting or allowing to be inserted on the Borrowing Base Certificates the signature of Tobias Rajchel, the defendants Ryan Marr and Tobias Rajchel misrepresented that Tobias Rajchel had reviewed and certified the Borrowing Base Certificate.

88. The plaintiff relied on the truthfulness and accuracy of the Borrowing Base Certificate in deciding to advance funds under the Credit Agreement. The plaintiff also relied on the representation that Tobias Rajchel, as CFO, had reviewed and certified the Borrowing Base Certificate and thereby confirmed the accuracy of its contents.

89. The plaintiff detrimentally relied on these misrepresentations and suffered losses as a result. For the reasons set out at paragraph 83, the misrepresentation of Chesswood's Borrowing Base was the direct and proximate cause of the Lenders' losses.

Oppression

90. As a creditor of Chesswood, the plaintiff is entitled to a declaration that it is a "complainant" within the meaning of sections 245 and 248(1) of the *OBCA.*

91. The plaintiff had a reasonable expectation that the Individual Defendants, as directors and officers of Chesswood, would not act in a manner that was oppressive, unfairly prejudicial or that unfairly disregarded the interests of the plaintiff and the Lenders. In particular, the plaintiff had a reasonable expectation that Chesswood's Borrowing Base Certificates would truthfully represent Chesswood's Borrowing Base, and that the Individual Defendants would oversee the preparation of the Borrowing Base Certificate so as to ensure the accuracy of its contents.

92. This reasonable expectation was grounded in and supported by the provisions of the Credit Agreement, which required Chesswood during the material time to deliver Borrowing Base Certificates every month, and which tethered the availability of borrowings – and therefore the amount of the Lenders' exposure – to the Borrowing Base. In light of the structure of the Credit Agreement, under which the Lenders advanced funds directly and fully on the reliance of Borrowing Base Certificates, the plaintiff believed that the Borrowing Base Certificates would be meticulously and carefully prepared and would correctly and accurately represent the eligible asset base of the Chesswood Group.

93. This reasonable expectation was also grounded in the plaintiff's difficulty to verify the Borrowing Base Certificates on a routine basis, as pleaded at paragraphs 23-24, above. The plaintiff was entirely reliant on Chesswood and the Individual Defendants to correctly and accurately represent the Borrowing Base, as the plaintiff could not reasonably audit or otherwise confirm the veracity of the monthly Borrowing Base Certificates on a regular ongoing basis.

94. The Individual Defendants breached the plaintiff's reasonable expectation for correct and accurate Borrowing Base reporting by (a) negligently making or contributing to the making of erroneous representations respecting Chesswood's Borrowing Base; (b) failing to establish quality control protocols to ensure the integrity of Borrowing Base preparation and the accuracy of Borrowing Base Certificates, and (c) in the case of Ryan Marr, Tobias Rajchel and Christopher Wallbank, failing to adequately oversee and review the Borrowing Base calculations and Borrowing Base Certificates.

95. The Individual Defendants were directly implicated in this oppressive conduct; their actions were, at all material times, a proximate and direct cause of the Borrowing Base Deficiency and the Lenders' resulting losses.

96. Some or all of the Individual Defendants personally benefited from the aforementioned oppressive conduct. Some or all of the Individual Defendants were invested in Chesswood and/or held investments in Chesswood's subsidiary, Waypoint, and benefited from the injection of credit into Chesswood that would not have occurred but for the Borrowing Base misrepresentations.

Damages

97. Currently, Chesswood's indebtedness to the Lenders is in excess of C$83,000,000. Although the CCAA Proceedings are still ongoing, substantially all of the Chesswood Group's assets have been realized upon, subject only to potential tax refunds and miscellaneous proceeds, the amounts of which are not anticipated in the best case to exceed U.S.$1,500,000. Under no scenario would proceeds of the remaining assets be sufficient to repay the Lenders the outstanding indebtedness under the Credit Agreement. For the reasons set out herein, Chesswood is liable to the plaintiff for the total deficiency owing under the Credit Agreement, once finally determined.

98. For the reasons set out herein, the Individual Defendants are also liable to the plaintiff for the full amount of Chesswood's indebtedness to the Lenders, once finally determined.

99. The plaintiff proposes that this action be tried in Toronto.

(Date of issue)

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Lawyers for the Plaintiff

ROYAL BANK OF CANADA, in its capacity as Administrative Agent and Collateral Agent to the Lenders	-and-	CHESSWOOD GROUP LIMITED et al.	Court File No.
Plaintiff		Defendants	

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

STATEMENT OF CLAIM

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Lawyers for the Plaintiff

THIS IS **EXHIBIT "L"**
Referred to in the Affidavit of
DANIEL PALLAG, sworn before me this 6th day
of July 2026.

A Commissioner for Taking Affidavits
JONATHAN BRADFORD
(LSO# 82632P)

Court File No. CL-25-00753601-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	MONDAY, THE 27th
	)	
JUSTICE MYERS	)	DAY OF APRIL, 2026

B E T W E E N:

(Court Seal)

ROYAL BANK OF CANADA, in its capacity as Administrative Agent and Collateral Agent to the Lenders

Plaintiff (Responding Party)

and

CHESSWOOD GROUP LIMITED, RYAN MARR, TOBIAS RAJCHEL, CHRISTOPHER WALLBANK and DANIEL WITTLIN

Defendants (Moving Party)

ORDER
(Motion to Strike)

THIS MOTION, made by the defendants Ryan Marr, Tobias Rajchel, Christopher Wallbank and Daniel Wittlin seeking to strike the claims made against them by the plaintiff in its statement of claim under rule 21.01(b) of the *Rules of Civil Procedure,*

was heard this day, at 330 University Avenue, Toronto ON M5G 1R7.

ON READING the motion records and the factums filed by the parties;

AND ON HEARING the submissions of counsel for the parties,

1. **THIS COURT ORDERS** that the plaintiff's claim against Mr. Wittlin is struck with leave to amend.

2. **THIS COURT ORDERS** that the motions to strike brought by Mr. Marr, Mr. Rajchel and Mr. Wallbank are dismissed.

3. **THIS COURT ORDERS** that the plaintiff pay to Mr. Wittlin its costs of this motion fixed in the amount of $30,000.00.

4. **THIS COURT ORDERS** that Mr. Marr, Mr. Rajchel and Mr. Wallbank each pay $30,000.00 to the plaintiff as their respective costs of their motions, on a partial indemnity basis.

Date of issuance *(to be completed by registrar)*	F L Myers J *(Signature of judge, officer or registrar)*

Justice FL Myers Digitally signed by Justice FL Myers
Date: 2026.05.15 10:48:18 -04'00'

ROYAL BANK OF CANADA, in its capacity as Administrative Agent and Collateral Agent to the Lenders Plaintiff (Responding Party)	-and-	CHESSWOOD GROUP LIMITED et al. Defendants (Moving Party)

Court File No. CL-25-00753601-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT TORONTO

ORDER

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Lawyers for Defendant, Daniel Wittlin

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

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGMENT 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.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding Commenced at **Toronto**

AFFIDAVIT OF DANIEL PALLAG

(Sworn July 6, 2026)

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Lawyers for the Plaintiff

TAB 3

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	THE _____________
	)	
JUSTICE DIETRICH	)	DAY OF ______________, 2026

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 ARRANGEMENT OF **CHESSWOOD GROUP LIMITED, CASE FUNDING INC., CHESSWOOD 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**

ORDER

(*Lifting the Stays of Proceedings*)

THIS MOTION, made by Shane McCormick (the "**Class Action Plaintiff**"), plaintiff in the proposed class proceeding *Shane McCormick v Chesswood Group Ltd., Ryan Marr, and Tobias Rajchel*, Court File No.: CV-24-00729269-00CP (the "**Investor Class Action**"), for an order, *inter alia*, lifting the stays of proceedings established under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA Stay**") and under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3 (the "**BIA Stay**") was heard this day via videoconference in Toronto, Ontario.

ON READING the materials filed, including the Affidavit of Daniel Pallag sworn July 6, 2026 and the Exhibits thereto, the Motion Record of the Class Action Plaintiff dated July 7, 2026, and on hearing submissions from counsel for the Class Action Plaintiff in the Investor Class Action, and such other counsel present:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

LIFTING OF STAYS OF PROCEEDINGS

2. **THIS COURT ORDERS** that the CCAA Stay and the BIA Stay be and are hereby lifted solely for the purpose of permitting the Class Action Plaintiff, for and on behalf of a proposed class of investors, to pursue the Investor Class Action, substantially in the form of the proposed Amended Statement of Claim, attached hereto as **Schedule "A"** (the "**Amended Claim**"), and Motion for Leave to Proceed under the *Securities Act*, R.S.O. 1990, c S.5 and Certification as a Class Proceeding under the *Class Proceedings Act, 1992*, S.O. 1992, c 6.

3. **THIS COURT ORDERS AND DIRECTS** the Registrar of the Ontario Superior Court of Justice to issue the Amended Claim, subject to payment of the appropriate filing fee.

4. **THIS COURT ORDERS** that there shall be no costs of this motion.

5. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. EST on the date of this Order without the need for entry and filing.

THE HONOURABLE JUSTICE DIETRICH

SCHEDULE A

Court File No.: CV-24-00729269-00CP

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

SHANE MCCORMICK

Plaintiff

– and –

CHESSWOOD GROUP LTD., RYAN MARR, and TOBIAS RAJCHEL

Defendants

Proceeding under the *Class Proceedings Act, 1992*

FRESH AS AMENDED STATEMENT OF CLAIM

TO THE DEFENDANTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiff's lawyers or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

IF YOU PAY THE PLAINTIFFS' CLAIM, and $5,000.00 for costs, within the time for serving and filing your statement of defence you may move to have this proceeding dismissed by the court. If you believe the amount claimed for costs is excessive, you may pay the plaintiff's claim and $400.00 for costs and have the costs assessed by the court.

Date Issued:	Issued by: ______________________________ Local Registrar
	Address of Court Office: Superior Court of Justice 330 University Avenue, 7th Floor Toronto, Ontario, M5G 1R8

TO: **ADAIR GOLDBLATT BIEBER LLP**
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Lawyers for the Defendant Ryan Marr

DEFINED TERMS

1. In addition to the terms defined in ss. 1(1) and 138.1 of the *Securities Act*, R.S.O. 1990, c. S. 5, and elsewhere herein, the following capitalized terms used throughout this Statement of Claim have the meanings indicated below:

(a) "**Borrowing Base**" means the detailed formula based on the value of certain specified eligible receivables and specified margins, plus certain specified limits, which determined the availability of borrowings to Chesswood under Chesswood's syndicated revolving credit facility (referred to herein as the SRCF, as defined below);

(b) "**Class (OSA Statutory)"** means all beneficial owner entities and persons, other than Excluded Persons, who acquired Chesswood's common shares during the Class Period and who held some or all of those common shares until after the release of at least one of the Public Corrective Disclosures;

(c) "**Class (Common Law)**" means all Canadian beneficial owner entities and persons, other than Excluded Persons, who acquired Chesswood's common shares and who held some or all of those common shares until after the release of at least one of the Public Corrective Disclosures;

(d) "**Class Period**" means May 9, 2023, through August 7, 2024;

(e) "**Company**" or "**Chesswood**" means Chesswood Group Ltd.;

(f) "***CPA***" means the *Class Proceedings Act, 1992*, S.O. 1992, c. 6, as amended;

(g) **"Debt Covenants"** means debt and financial agreements relating to the SRCF, including Chesswood's compliance with the Borrowing Base;

(h) "**Excluded Persons**" means any of the Defendants, their executives, family members and business partners during the Class Period, and any business entities in which any family member of the Individual Defendants had a controlling interest during the Class Period, including Daniel Wittlin and HB Leaseco Holdings Inc;

(i) "**Impugned Documents**" means the documents and statements released on May 9, 2023 August 8, 2023, November 6, 2023, January 22, 2024, March 14, 2024, and May 8, 2024;

(j) **"Marr"** means Defendant Ryan Marr;

(k) "**MD&A**" means Management's Discussion and Analysis;

(l) "***OSA***" means the *Securities Act*, R.S.O. 1990 c. S.5, as amended;

(m) "***OBCA***" means the Ontario Business Corporations Act, RSO 1990, c B.16, as amended;

(n) "**Public Corrective Disclosures**" means the material facts released to the market on June 14, 2024, July 22, 2024, and August 7, 2024;

(o) **"Rajchel"** means Defendant Tobias Rajchel; and

(p) "**SRCF**" means Chesswood's syndicated revolving credit facility.

CAUSES OF ACTION

2. The causes of action asserted by the Plaintiff, on behalf of himself and the Classes in this proceeding, are:

(a) Common law secondary market negligent misrepresentations; and,

(b) If Part XXIII.1, s. 138.8 of the *OSA* is granted, statutory secondary market misrepresentations, pursuant to Part XXIII.1, s. 138.3 of the *OSA*.

RELIEF CLAIMED

3. The Plaintiff claims on his own behalf and on behalf of the members of the Classes, subject to further disclosures, discovery and due diligence:

(a) an order pursuant to s. 5 of the *CPA* certifying this action as a class proceeding and appointing him as the representative plaintiff for the Classes advancing the causes of action identified herein;

(b) a declaration that the Impugned Documents released by the Defendants contained misrepresentations related to the Company's business, operations and finances because the documents omitted material facts;

(c) subject to common law and Part XXIII.1 of the *OSA*, damages in a sum to be determined, or such other sum as this Court finds appropriate at the trial of the common issues or at a reference or references;

(d) that the Plaintiff and members of the Class (Common Law) are entitled to elect the recessionary measure of damages, which is to be put back in the position they would have been in had the Defendants released the May 9, 2023 and subsequent Impugned Documents without misrepresentations;

(e) an order directing a reference or giving such other directions as may be necessary to determine issues not determined in the trial of the common issues;

(f) prejudgment and post-judgment interest, compounded, or pursuant to ss. 128 and 129 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 ("*CJA*");

(g) costs of this action on a full indemnity scale, or in an amount that provides substantial indemnity, plus, pursuant to s. 26(9) of the *CPA*, the costs of administering the plan of distribution of the recovery in this action; and

(h) such further and other relief that this Honourable Court deems just.

NATURE OF THIS ACTION

4. During the Class Period, Chesswood was an Ontario corporation and a responsible issuer under the *OSA* that was publicly traded. Chesswood reported itself as a holding company whose subsidiaries engage in the business of specialty finance (including equipment finance throughout North America, vehicle finance in Canada, and legal sector finance in Canada), as well as the origination and management of private credit alternatives for North American investors, including, collecting interest and principal thereon, and in certain cases selling or securitizing the loans and leases for payment.

5. Prior to the Class Period, Chesswood entered into the SRCF, which included numerous Debt Covenants. The total mix of information to the market was that the access to capital from the SRCF was materially important to Chesswood. Prior to and during the Class Period, Chesswood amended the terms of the SRCF multiple times.

6. During the Class Period, Chesswood published material fact news that its business operations and financials were doing well, that it was in compliance with the SRCF's Debt Covenants, and that investors could rely upon its published financial statements and MD&As as being accurate.

7. However, Chesswood negligently reported that these topics were accurate as reflected by its own admissions in the Public Corrective Disclosures that it was not in compliance with the Debt Covenants, investors should no longer rely upon its financial records, that it would be required to restate its financial records relating to multiple financial measures, and that it no longer had the ability to complete its current financial statements.

8. On June 14, 2024, Chesswood reported an ambiguous statement that it was in breach of its minimum borrowing base debt covenant associated with its SRCF and was being forced to sell assets, but that investors could still rely upon its previously released financial statements. The market impact of this Public Corrective Disclosure caused the price of Chesswood's securities to diminish from $7.49 down to $3.75, or a drop of approximately 50%.

9. On July 22, 2024, Chesswood released a statement that it would need to restate its Q1 2024 financial statements and MD&A as they related to its SRCF, the breach of the Debt Covenants, write-downs of intangibles and goodwill as well as long-lived assets and tax assets, the suspension of borrowing capacity and originations by its subsidiaries Pawnee Leasing Corporation and Rifco, and implicitly reported that it still could not file its continuous disclosure documents for Q2 2024. The market impact of this Public Corrective Disclosure was harsh and immediate on the price for Chesswood's securities, sending Chesswood's share price from $2.81 to $2.66, which continued to fall through the next day down to $2.35.

10. On August 7, 2024, Chesswood supplemented its prior statements by advising the markets that it would need to determine whether further restatements of F/2023 audited annual financial statements would be required in addition to the restatement of its Q1 2024 financial statements and MD&A. The market impact of this Public Corrective Disclosure was harsh and immediate on the price for Chesswood's securities, sending Chesswood's share price from $1.81 to $1.67.

11. By August 15, 2024, Chesswood's securities closed at $0.90, was unable to release financial statements, and Chesswood had been forced to sell substantial assets to HB Leaseco Holdings Ltd. (a company affiliated with one of Chesswood's directors, Daniel Wittlin).

12. On August 15, 2024, the Ontario Securities Commission issued a failure to file cease trade order.

13. As of September 3, 2024, the Ontario Securities Commission revoked Chesswood's ability to allow secondary market trading of its securities and Chesswood has ceased providing continuous disclosures to the markets.

14. Chesswood's equity was later completely wiped out in a proceeding under the *Companies' Creditors Arrangement Act* (the "CCAA").

15. The Plaintiff and putative Classes suffered a foreseeable economic loss from the market impact of the Public Corrective Disclosures which contradicted the previous material fact statements as described within the Impugned Documents, as described below.

THE PLAINTIFF

16. The Plaintiff is located in the province of Alberta. During the Class Period, the Plaintiff purchased shares of Chesswood on May 12, 2023, May 16, 2023, June 14, 2023, August 9, 2023, and June 20, 2024. He still owns 707 shares because of the halt-trading order. He relied upon the Impugned Documents to make investment decisions to purchase and hold Chesswood's securities. Had he known of the omitted material facts that were only disclosed at the time of the Public Corrective Disclosures, he would not have purchased Chesswood's securities on these dates or continue to hold them thereafter.

17. The Plaintiff:

(a) has disclosed a cause of action for common law negligent misrepresentations seeking damages for (i) purchasing shares at artificially high prices during the Class Period; and (ii) purchasing shares at any time and holding them after the date that the Defendants' released statements that artificially inflated the price of Chesswood's shares;

(b) in good-faith believes that there are more than several similarly situated investors like him, i.e., that purchased Chesswood's shares at artificially high prices and/or held said shares during a period prior to the release of the Public Corrective Disclosures but were not informed by Chesswood of all the material facts relating to the breach of the Debt Covenants and suffered an economic injury;

(c) in good-faith believes that he shares the same common issues as other similarly situated investors;

(d) in good-faith believes that a class proceeding would be the preferable procedure for the resolution of the common issues, and specifically, for the causes of action advanced herein, especially when Chesswood was formed under the OBCA, is located in Ontario and markets itself to investors as being an Ontario responsible issuer; and

(e) in good-faith retained Class Counsel who are experienced in Canadian and U.S. shareholder class action litigation that can adequately represent him and the putative members of the Classes, can produce the same type of Litigation Plan in other similar shareholder class actions; and does not believe that there are any conflicts of interest with the putative members of the Classes.

THE DEFENDANTS

Chesswood Group Limited

18. Chesswood was an Ontario incorporated and Toronto based holding company whose subsidiaries engaged in the business of specialty finance (including equipment finance throughout North America, vehicle finance in Canada, and legal sector finance in Canada), as well as the origination and management of private credit alternatives for North American investors under brands and/or subsidiaries, including but not limited to:

(a) Pawnee Leasing Corporation, incorporated pursuant to the laws of Colorado, United States and providing equipment financing across a range of credit profiles, principally in the United States;

(b) Rifco National Auto Finance Corporation, incorporated pursuant to the laws of Alberta, Canada and providing vehicle financing for new and used automobiles in Canada;

(c) Vault Credit Corporation, incorporated pursuant to the laws of Ontario and providing equipment financing principally to small and medium-sized businesses in Canada;

(d) Vault Home Credit Corporation, incorporated pursuant to the laws of Ontario and providing home improvement and other consumer financing solutions to borrowers in Canada;

(e) Waypoint Investment Partners Inc., incorporated pursuant to the laws of Ontario, an investment firm offering exposure to, among other things, the equipment financing sector and equipment and consumer financing credit;

(f) Tandem Finance, Inc., incorporated pursuant to the laws of Colorado, whose operations were absorbed into Pawnee Leasing Corporation;

(g) Chesswood Capital Management Inc., incorporated pursuant to the laws of Ontario, a holding company that is the direct parent of Waypoint Investment Partners Inc and Chesswood Capital Management USA Inc.;

(h) Chesswood Capital Management USA Inc., incorporated pursuant to the laws of Delaware; and,

(i) Easy Legal, incorporated pursuant to the laws of Ontario and providing loans relating to the Canadian medical and legal industries.

19. Chesswood was a responsible issuer for purposes of Ontario securities laws and subject to the continuous disclosure requirements of the *OSA* and Part XXIII.1 of the *OSA*; its head office is located at 1133 Yonge Street, Suite 603, Toronto, Ontario, M4T 2Y7.

20. Chesswood's common shares, which have a CUSIP identifier number of 50202P, were listed under the ticker symbol "CHW" on the Toronto Stock Exchange ("TSX"), "Y3O.F" on the Frankfurt Stock Exchange ("FRA"), and "CHWWF" on the U.S. over-the-counter market.

21. In its 2023 Annual Report, Chesswood reported that it had 18,309,104 common shares outstanding excluding the shares issuable in exchange for 1,274,601 Class B common shares and 203,936 Class C common shares of Chesswood U.S. Acquisitionco Ltd. issued as partial consideration for the acquisition of Pawnee Leasing Corporation, and which are fully exchangeable at any time for Chesswood's common shares.

22. Chesswood relied upon Ernst & Young LLP ("**E&Y**") as its independent auditor, which on March 14, 2024 certified that it audited the consolidated financial statements for 2022 and 2023. E&Y reported that Chesswood's consolidated financial statements present fairly, in all

material respects, the consolidated financial position of Chesswood as of December 31, 2023 and in accordance with International Financial Reporting Standards. E&Y's opinion, however, was incorrect because Chesswood negligently reported its books and records to it.

Ryan Marr

23. Marr served as Chesswood's President and CEO at all relevant times and abruptly resigned on July 8, 2024. In this position he had, or should have had, access to all material fact information about: (i) the status of the Debt Covenants and (ii) whether Chesswood was in compliance with all Debt Covenants. Marr was able, or should have been able, to ensure that Chesswood did not incorrectly report that it was in compliance with all Debt Covenants when it was not, or that it had received waivers of breach(es) of the Debt Covenants from all parties.

24. Marr signed certifications accompanying each of the Company's quarterly filings throughout the Class Period which stated that the financial statements and MD&A were fairly stated and did not contain any untrue statements of material fact, when in fact they did.

Tobias Rajchel

25. Rajchel served as Chesswood's CFO until July 8, 2024 when he was named President and CEO. In these positions he had, or should have had, access to all material fact information about: (i) the status of the Debt Covenants and (ii) whether Chesswood was in compliance with all Debt Covenants. Rajchel was able, or should have been able, to ensure that Chesswood did not incorrectly report whether it was in compliance with all Debt Covenants, or that it had received waivers of breach of the Debt Covenants from all parties.

Rajchel signed certifications accompanying each of the Company's quarterly filings throughout the Class Period which stated that the financial statements and MD&A were fairly stated and did not contain any untrue statements of material fact, when in fact they did.

THE SRCF

26. The secured lenders of the SRCF to Chesswood were Royal Bank of Canada, The Toronto-Dominion Bank, The Huntington National Bank, M&T Bank, Canadian Imperial Bank of Commerce, and Laurentian Bank of Canada (the "**Lenders**").

27. The Lenders provided credit facilities to Chesswood pursuant to the SRCF. The SRCF was entered into on January 14, 2022, and was subsequently amended by agreement on March 31, 2022; July 27, 2022; December 13, 2022; June 30, 2023; December 22, 2023; and June 21, 2024.

28. The SRCF established a revolving facility in the maximum principal amount of US$300 million.

29. The availability of borrowings to Chesswood under the SRCF was determined by a Borrowing Base which was determined by a detailed formula based on the value of certain specified eligible receivables and specified margins, plus certain specified limits. Under the SRCF, a certificate setting out the current Borrowing Base was regularly required to be delivered by Chesswood to the Lenders.

30. The Borrowing Base represented the value of a predefined set of assets held by certain Chesswood subsidiaries at a given time. The Borrowing Base only included assets that met the predefined eligibility criteria set out in the SRCF. Assets must have been held by, or proprietary to, Chesswood to be included in the Borrowing Base and assets that were sold or securitized by Chesswood could not be included in the Borrowing Base.

31. In May 2024, the Lenders discovered a significant deficiency in the Borrowing Base from the Borrowing Base certificate provided by Chesswood dated March 31, 2024. The amount of the Borrowing Base deficiency was initially calculated to be approximately US$50

million and subsequently increased to approximately US$92 million. The Borrowing Base deficiency was a breach of the Debt Covenants under the SRCF.

THE TOTAL MIX OF INFORMATION

32. On **March 16, 2023**, Chesswood released its F/2022 audited annual financial statements, MD&A, and other core documents, including NI 52-109s, affirming that:

(a) On January 14, 2022, Chesswood renegotiated its SRCF to allow borrowings of up to US$300 million. Chesswood exercised the accordion feature under this revolving credit facility in Q4 2022, which expanded its capacity further to US$386.7 million;

(b) The SRCF was secured by the Company's (and most of its subsidiaries') assets, contains covenants including maintaining leverage and interest coverage ratios, and expires on January 14, 2025;

(c) This SRCF allows Chesswood to internally manage the allocation of capital to its financial services businesses in Canada and the United States. The credit facility supports growth in finance receivables, provides for Chesswood's working capital needs, and for general corporate purposes. The facility, available in U.S. dollars or Canadian dollars, also improves the Company's financial flexibility by centralizing treasury management and making the provision of capital to individual businesses more efficient; and

(d) Chesswood was not in breach of any debt covenants and enjoyed substantial intangible and goodwill as well as long-lived assets and deferred tax assets.

33. On **May 9, 2023**, Chesswood updated the total mix of information to the market about its capital, financials, and operations by releasing its Q1 2023 financial statements, MD&A, and other core documents, including NI 52-109s, affirming that:

(a) Intangible assets totalled $30.4 million as at March 31, 2023;

(b) Goodwill totalled $48.1 million as at March 31, 2023;

(c) The Company's deferred tax assets increased by $0.6 million to $7.9 million; and

(d) Chesswood was not in breach of any debt covenants and enjoyed substantial intangible and goodwill as well as long-lived assets and deferred tax assets.

34. Through the final Public Corrective Disclosure, Chesswood reported that it may need to restate its F/2023 audited financial statements without ever disclosing any further information about this topic as of the date of the filing of this pleading.

35. On **August 8, 2023**, Chesswood updated the total mix of information to the market about its capital, financials, and operations by releasing its Q2 2023 financial statements, MD&A, and other core documents, including NI 52-109s, affirming that:

(a) Intangible assets totalled $29.6 million as at June, 2023;

(b) Goodwill totalled $47.8 million as at June 30, 2023;

(c) The Company's deferred tax assets decreased to $2.5 million; and

(d) Chesswood was not in breach of any debt covenants and enjoyed substantial intangible and goodwill as well as long-lived assets and deferred tax assets.

36. Through the final Public Corrective Disclosure, Chesswood reported that it may need to restate its F/2023 audited financial statements without ever disclosing any further information about this topic as of the date of the filing of this pleading.

37. On **November 6, 2023**, Chesswood updated the total mix of information to the market about its capital, financials, and operations by releasing its Q3 2023 financial statements, MD&A, and other core documents, including NI 52-109s, affirming that:

(a) Intangible assets totalled $29.1 million as at September 30, 2023;

(b) Goodwill totalled $48.1 million as at September 30, 2023;

(c) The Company's deferred tax assets decreased to $3.3 million; and

(d) Chesswood was not in breach of any debt covenants and enjoyed substantial intangible and goodwill as well as long-lived assets and deferred tax assets.

38. Through the final Public Corrective Disclosure, Chesswood reported that it may need to restate its F/2023 audited financial statements without ever disclosing any further information about this topic as of the date of the filing of this pleading.

39. On **January 22, 2024**, Chesswood updated the total mix of information to the market about its capital, financials and operations by releasing a statement that it had created a special committee of its directors to evaluate its business, initiating a review of strategic alternatives that may include the sale of certain assets, a wind down of portfolios as well as other options. By March 28, 2024, Chesswood had announced that it had hired a prominent law firm and an investment bank in Toronto to assist.

40. The Plaintiff alleges that Chesswood negligently reported this information and, in fact, certain of the SRCF debt and financial covenants were already in breach at this time.

41. On **March 14, 2024**, Chesswood updated the total mix of information to the market about its capital, financials, and operations by releasing its F/2023 audited financial statements, MD&A, and other core documents, including NI-52-109s, affirming that:

(a) Intangible assets totalled $20.1 million as at December 31, 2023;

(b) Goodwill totalled $33.5 million as at December 31, 2023;

(c) The Company's deferred tax assets decreased to $12 million; and

(d) Chesswood was not in breach of any debt covenants and enjoyed substantial intangible and goodwill as well as long-lived assets and deferred tax assets.

42. Through the final Public Corrective Disclosure, Chesswood reported that it may need to restate its F/2023 audited financial statements without ever disclosing any further information about this topic as of the date of the filing of this pleading.

43. On **May 8, 2024**, Chesswood updated the total mix of information to the market about its capital, financials, and operations by releasing its Q1 2024 financial statements, MD&A, and other core documents, including NI-52-109s, affirming that:

(a) Intangible assets totalled $19.9 million as of March 30, 2024;

(b) Goodwill totalled $33.5 million as of March 30, 2024;

(c) The Company's deferred tax assets increased to $13.5 million; and

(d) Chesswood was not in breach of any debt covenants and enjoyed substantial intangible and goodwill as well as long-lived assets and deferred tax assets.

44. Through the July 22, 2024 Public Corrective Disclosure, Chesswood reported that it may need to restate its Q1 2024 financial statements without ever disclosing any further information about this topic as of the date of the filing of this pleading.

45. In May of 2024, both the administrative agent and the collateral agent for the Lenders, the Royal Bank of Canada, discovered the borrowing base deficiency and that Chesswood was in breach of its Debt Covenants.

46. The Royal Bank of Canada has alleged in a Statement of Claim issued against Chesswood, Marr, Rajchel, Christopher Wallbank and Daniel Wittlin (Court File CL-

2500753601-0000) that errors in the calculation of the Borrowing Base began in at least December of 2022 and contributed to the Borrowing Base deficiency discovered by RBC in May of 2024.

THE PUBLIC CORRECTIVE DISCLOSURES AND FURTHER DEVELOPMENTS

47. On **June 14, 2024** (Public Corrective Disclosure #1), Chesswood released a statement that contrary to representations made earlier in the year, it was in breach of debt covenants associated with its $300 million SRCF. Chesswood also reported that this would not affect the calculation of its receivables or other assets reported in its previously published core documents; but this was a misrepresentation as the market would learn a month later.

48. The market impact of this negative material fact news was harsh and immediate on the price for Chesswood's securities; sending Chesswood's share price from $7.49 to $3.75.

49. On **July 22, 2024** (Public Corrective Disclosure #2), before the market opened, Chesswood released a statement that it would need to restate its 1Q 2024 financial statements and MD&A as a result of its previously disclosed errors in calculating its borrowing base for the purposes of its SRCF and that it expected the restatements to:

(a) Write down goodwill and intangible assets by material amounts;

(b) Write down deferred tax assets and liability by material amounts;

(c) Disclose that it was not in compliance with the SRCF's Debt Covenants; and

(d) Disclose that it would have a going concern warning.

50. This Public Corrective Disclosure implicitly reported that Chesswood still could not file its continuous disclosure core documents for the period of 1Q and 2Q 2024.

51. The market impact of this negative material fact news was harsh and immediate on the price for Chesswood's securities; sending Chesswood's share price from $2.81 to $2.66, which

continued to fall through the next day down to $2.35. Over the course of the following ten (10) days, Chesswood's share price dropped from $2.66 to $1.67.

52. On **July 30, 2024**, Chesswood announced that Daniel Wittlin was resigning as director of Chesswood, effectively immediately, in part, to allow him to manage his potential conflict of interest with Chesswood due to his association with HB Leaseco Holdings Ltd.

53. On **August 6, 2024**, Chesswood announced that due to the defaults, it would be forced to sell its financial interests in Vault Credit, Vault Home, and certain portfolio receivables of Pawnee Leasing. It also announced that it received notice that it was in default of another securitized facility agreement (but omitted to disclose which).

54. On **August 7, 2024** (Public Corrective Disclosure #3), Chesswood announced that it would not be able to release its 2Q 2024 financial statements and MD&A, that it was investigating whether it would also restate its F/2023 financial statements, and that it's securities would be subject to a failure to file cease trade order, i.e., the securities ceased trading and there is no longer a public market for these securities.

POST CLASS-PERIOD DISCLOSURES

55. On **August 9, 2024**, Chesswood announced that it was selling its interests in Vault Credit, Vault Home, and certain portfolio receivables of Pawnee Leasing to an affiliate of HB Leaseco Holdings Ltd., Daniel Wittlin's company.

56. On **August 15, 2024**, Chesswood's securities became subject to a failure to file cease trade order from the Ontario Securities Commission, i.e., the securities ceased trading and there is no longer a public market for these securities.

57. Chesswood has ceased providing continuous disclosure statements to the markets and, in Canada, its securities are a value of $0.00; and in the United States the value is $0.18 as of the date of this Pleading.

THE CCAA PROCEEDING

58. On **October 30, 2024**, Chesswood announced that on application from the agent for its syndicate of lenders under the SRCF, it had become subject to creditor protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA Proceeding**"). The Initial Order in the CCAA Proceeding granted a stay of litigation against or in respect of Chesswood.

59. On **November 7, 2024**, the Court in the CCAA Proceeding granted an order amending the Initial Order which, among other things extended the stay period (the "**Amended and Restated Initial Order**"). The Amended and Restated Initial Order provides that the stay of litigation applies not only to claims against Chesswood, but also to any claim against any of the former, current or future directors or officers of the Chesswood.

60. Following the issuance of the Amended and Restated Initial Order, Chesswood and the Monitor in the CCAA Proceeding engaged in an extensive marketing of Chesswood's assets. These efforts resulted in the sale of substantially all of the assets of Chesswood. During this time, the stay period was extended several times by orders of Court in the CCAA Proceeding.

61. At the conclusion of the CCAA Proceeding and at the time of this pleading, Chesswood has no material assets and no operating businesses remaining.

COMMON LAW NEGLIGENT MISREPRESENTATION

62. The directors owed a duty of care to the Class Members to ensure the Impugned Documents did not contain misrepresentations, based upon a special relationship by certifying

certain of the Impugned Documents did not contain misrepresentations to the Class Members and by seeking Class Members' vote as a director of the Defendant's directors.

63. The Plaintiff relied upon the material fact statements within the Impugned Documents and in other related non-core documents/statements released on SEDAR in making a decision to purchase Chesswood's securities and to hold all of those securities until the release of the Public Corrective Disclosures.

64. It was reasonable for Class Members to rely upon the Impugned Documents in making a decision to invest as reflected by the act of purchasing Chesswood's securities and the belief that the price or value of Chesswood's securities would go up in price or value and continue to pay dividends.

65. The Impugned Documents contained misrepresentations of material fact.

66. Chesswood, through its directors and officers, breached the applicable standard of care as set out above by either: negligently monitoring and reporting on the Debt Covenants necessitating a restatement of its financial statements; or having the accurate material facts but negligently reporting the material facts within the Impugned Documents and statements by:

(a) omitting the material facts, arising at some point during the Class Period and which were publicly corrected on June 14, 2024, July 22, 2024, and August 7, 2024, to be determined during discovery, concerning the status and the non-compliance of the Company and the Debt Covenants; and,

(b) misrepresenting that the Company's financial statements could be relied upon.

67. The Plaintiff and Class Members suffered a direct and foreseeable economic injury by purchasing Chesswood's securities at a time when the investment price and value was

artificially inflated, and holding all or some of the artificially priced securities until after Chesswood released the Public Corrective Disclosures.

68. Had the Defendants not made misrepresentations or omitted the material facts as alleged herein, the Plaintiff would have sold his securities of Chesswood on or about May 9, 2023, when the Defendants should have disclosed the truth about its compliance with the Debt Covenants.

69. The Plaintiff and Class Members are entitled to rescission of their respective purchases of Chesswood securities prior to the Public Corrective Disclosures and damages relating to the same.

ONTARIO SECURITIES ACT

70. Chesswood was a responsible issue and subject to the continuous disclosure requirements of the *OSA*.

71. Marr and Rajchel were Influential Persons and Directors and Officers of Chesswood.

72. Daniel Wittlin was an Influential Person and Director and Officer of Chesswood.

73. E&Y was the auditor of Chesswood that reported that Chesswood's F/2023 financial statements fairly represented Chesswood's consolidated financial position for annual 2022 and 2023.

74. The Defendants published the Impugned Documents containing misrepresentations. Marr and Rajchel authorized the publication of the Impugned Documents containing misrepresentations.

75. Subject to s. 138.8 of the *OSA*, the Plaintiff will advance the s. 138.3 of the *OSA* cause of action.

76. Subject to disclosures or discovery, the Plaintiff may invoke s. 138.7(2) of the *OSA*.

REAL AND SUBSTANTIAL CONNECTION WITH ONTARIO

77. The Plaintiff pleads that this action has a real and substantial connection with Ontario and for the application of Ontario substantive and procedural laws on behalf of all Class Members for the following non-exhaustive reasons:

(a) Chesswood was a responsible issuer in Ontario, incorporated pursuant to the OBCA, and is headquartered in the city of Toronto, Ontario;

(b) Chesswood securities traded in Ontario on the Toronto Strock Exchange;

(c) The Plaintiff purchased shares of Chesswood in Ontario on the Toronto Stock Exchange;

(d) Chesswood's auditor is located in Toronto, Ontario;

RELEVANT LEGISLATION, PLACE OF TRIAL AND JURY TRIAL

78. The Plaintiff pleads and relies upon the *CJA*, *CPA*, *OBCA* and *OSA*.

79. The Plaintiff proposes that this action be tried in the City of Toronto, in the Province of Ontario, as a proceeding under the *CPA*.

80. The Plaintiff may serve a jury notice.

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Court File No.: CV-24-00729269-00CP

SHANE MCCORMICK
Plaintiff

and

CHESSWOOD GROUP LTD. et al.
Defendants

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDINGS COMMENCED AT **TORONTO**

FRESH AS AMENDED STATEMENT OF CLAIM

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

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGMENT 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.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding Commenced at **Toronto**

DRAFT ORDER

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

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGMENT 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.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding Commenced at **Toronto**

MOTION RECORD

(Motion to Lift the Stays of Proceedings to allow the Investor Class Action to proceed)

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