Court File No.:

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 13498140 CANADA INC., 2717922 ONTARIO INC., 1000208180 ONTARIO INC., TRINITY CAR SALES INC., 1000841404 ONTARIO INC., 13517683 CANADA INC., 12332248 CANADA INC., 1000454978 ONTARIO INC., 1986096 ONTARIO INC., 1001087905 ONTARIO INC., DOWNTOWN AUTO CENTRE LTD., TRINITY CAR AND TRUCK RENTAL INC., TRINITY AUTO INC., LARRY HUDSON FAMILY HOLDINGS INC. AND 1000493417 ONTARIO INC.

NOTICE OF APPLICATION

TO THE RESPONDENTS

A LEGAL PROCEEDING HAS BEEN COMMENCED by Bank of Montreal (the "**Applicant**"). The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing

□ In person

□ By telephone conference

X By video conference

on Friday, August 7, 2026, at 11:00 a.m.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2:00 p.m. Eastern Time on the day before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date ______________________ Issued by ____

Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue, 9th Floor
Toronto, Ontario M5G 1R7

TO: SERVICE LIST

APPLICATION

THE APPLICANT MAKES THIS APPLICATION FOR:

1. An initial order, substantially in the form attached as Tab "3" of the Application Record (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), granting, among other things, the following relief:

   (a) abridging the time for the service of the Notice of Application and the materials filed in support thereof, validating service already effected and dispensing with further service thereof;

   (b) declaring that each of the Debtors is a debtor company to which the CCAA applies;

   (c) appointing Goldhar & Associates Ltd. ("**Goldhar**") as monitor of the Debtors in these proceedings (prior to its appointment, the "**Proposed Monitor**", and once appointed in such capacity, the "**Monitor**");

   (d) approving an interim financing term sheet (the "**Interim Term Sheet**") between Goldhar, for and on behalf of the Debtors, and BMO, in its capacity as the interim lender (the "**Interim Lender**"), authorizing the Monitor, for and on behalf of the Debtors, to obtain and borrow under the interim facility contemplated therein (the "**Interim Facility**") up to a maximum principal amount of $500,000 (the "**Maximum Initial Amount**", as defined in the Interim Term Sheet), plus applicable Interest and Interim Lender's Expenses (each as defined in the Interim Term Sheet), during the initial Stay Period, and granting the Interim Lender a charge over the Property (as defined below) to secure all obligations owing under the Interim Facility (the "**Interim Financing Charge**");

(e) authorizing the Debtors, with the consent of the Monitor, or the Monitor on behalf of the Debtors, to wind-down or liquidate the London Used Car Superstore without application of the monetary disposition limits otherwise applicable under the Initial Order;

(f) granting the Monitor, in addition to and without in any way limiting its prescribed rights under the CCAA, the additional powers more particularly set out in the Initial Order (the "**Monitor's Additional Powers**");

(g) granting an initial stay of proceedings to and including August 17, 2026 (the "**Stay Period**"), of all proceedings and remedies taken or that might be taken in respect of the Debtors, the Monitor, or affecting the Debtors' businesses (the "**Businesses**") or the Debtors' current and future assets, undertakings and properties of every nature and kind, including all proceeds thereof (the "**Property**"), except as otherwise set forth in the Initial Order or as otherwise permitted by law;

(h) granting a stay of proceedings to and including August 17, 2026 in favour of the Trinity Auto Group's current directors and officers (the "**Directors and Officers**");

(i) granting the following limited priority charges (collectively, the "**Charges**") over the Property:

  (i) the Administration Charge in favour of the Monitor, counsel to the Monitor, and counsel to the Debtors;

(ii) the Interim Financing Charge in favour of the Interim Lender; and

(iii) the Directors' Charge in favour of the Directors and Officers; and

(j) authorizing the Debtors, subject to the supervision and control of the Monitor and the terms of the Interim Term Sheet, to continue to utilize their existing cash management system.

THE GROUNDS FOR THIS APPLICATION ARE:

A. Overview of the Trinity Auto Group and BMO Financing

2. The Respondents (collectively, the "**Trinity Auto Group**" or the "**Debtors**") comprise an integrated group of automotive and related businesses operating in the Greater Toronto Area and Southwestern Ontario, including four (4) franchised new-vehicle dealerships, two (2) used-vehicle dealership locations, collision-repair centres, a vehicle-rental business, towing and automotive-service operations, and commercial real estate assets.

3. The Debtors employ approximately 144 employees, and approximately 18 independent contractors provide services in connection with the towing operation.

4. The Trinity Auto Group's banking relationship with BMO began in 2020. As the Trinity Auto Group expanded, BMO provided additional credit facilities for operating, vehicle floorplan, leasing, corporate credit-card, goodwill and real-estate financing to support its operations and acquisitions.

5. The credit facilities provided by BMO to the Trinity Auto Group were most recently amended and restated pursuant to a credit agreement dated August 29, 2025 (the "**Credit**

Agreement”), under which BMO made available facilities having aggregate authorized borrowing limits of approximately $80.9 million.

6. BMO also provided separate financing to 1000493417 Ontario Inc. for the property municipally known as 222 Advance Boulevard, Brampton, Ontario (the “**Advance Boulevard Property**”).

7. As at July 24, 2026, the aggregate principal and accrued interest owing to BMO under the Credit Agreement and the separate financing provided to 1000493417 Ontario Inc. was approximately $85.2 million, excluding further interest, fees, costs and expenses (the “**Indebtedness**”).

8. The Indebtedness is supported by an extensive security package granted by the applicable borrowers and guarantors.

B. Defaults and Financial Difficulties of the Trinity Auto Group

9. The Trinity Auto Group’s rapid expansion materially increased its working-capital, floorplan and fixed debt-service requirements.

10. In early 2026, BMO had developed material concerns regarding the Trinity Auto Group’s liquidity, floorplan exposure, inventory controls and financial reporting.

11. A reconciliation based on physical inventory counts conducted on July 2, 2026 and July 3, 2026 identified 264 vehicles that had been sold and delivered without the corresponding BMO floorplan advances in respect of such vehicles being repaid. The aggregate advances associated with those sold-in-violation or “SIV” vehicles were approximately $13.0 million.

12. As at July 16, 2026, approximately $43.5 million was outstanding under the $35 million new-vehicle floorplan facility.

13. The Debtors have no availability under their existing new-vehicle floorplan facility, and management has advised BMO that the funds required to cure the identified SIV deficiency are not available.

14. A subordinate charge was registered against the Advance Boulevard Property without BMO's knowledge or consent.

15. On July 29, 2026, the Canada Revenue Agency ("**CRA**") served BMO with a requirement to pay pursuant to the *Income Tax Act* in respect of 2717922 Ontario Inc., which operates Oakville Mitsubishi, asserting tax indebtedness of approximately $214,000 (the "**Requirement to Pay**").

16. On July 27, 2026, BMO demanded payment from the applicable borrowers and guarantors and delivered notices of intention to enforce security under section 244(1) of the *Bankruptcy and Insolvency Act* ("**BIA**") to the applicable Debtors. The Indebtedness has not been repaid.

17. BMO has lost confidence that management can stabilize the Businesses and implement the necessary restructuring without independent Court supervision and meaningful controls over cash, vehicle inventory, sale proceeds and material operational decisions.

C. Need for CCAA Proceedings and Eligibility

18. The Debtors are insolvent and face an immediate liquidity crisis.

19. The claims against the Debtors exceed $5 million.

20. Based on the Cash Flow Forecast, the Debtors do not have sufficient liquidity to continue operating in the ordinary course and satisfy their obligations as they become due without the interim financing and the protections afforded by the CCAA.

21. BMO is not prepared to provide further funding outside of a formal, Court-supervised restructuring process.

22. Subject to the granting of the Initial Order and the terms of the Interim Term Sheet, BMO is prepared to provide interim financing to fund the Debtors' working capital requirements and the costs of these proceedings.

23. Immediate Court protection is required to avoid an uncontrolled cessation of operations, protect the Debtors' vehicle inventory and sale proceeds, maintain employment and preserve relationships with OEMs, customers, suppliers, retail financing partners and other stakeholders.

24. An immediate receivership and liquidation would likely cause greater operational disruption and increase the risk that OEM relationships, retail financing arrangements, employee and customer relationships and dealership goodwill would be impaired.

25. A creditor-initiated CCAA proceeding provides the best available opportunity to preserve the Trinity Auto Group's going-concern and dealership franchise value, protect its vehicle inventory and cash proceeds, maintain employment, stabilize relationships with key stakeholders, and develop and implement an orderly Court-supervised sale process.

D. Appointment of Monitor and Additional Powers of the Monitor

26. BMO proposes that Goldhar be appointed Monitor.

27. Goldhar has consented to act as Monitor, is a licensed trustee within the meaning of Section 2 of the BIA and is not subject to any of the restrictions in section 11.7(2) of the CCAA.

28. Goldhar has acted as BMO's pre-filing financial advisor and has developed familiarity with the Debtors' financial circumstances and operations.

29. The Monitor's Additional Powers are necessary and appropriate considering that the principal risks requiring immediate control include the Debtors' existing cash management system, bank accounts, vehicle inventory, vehicle-sale proceeds, vehicle titles and keys, contractual arrangements, personnel and relationships with OEMs and regulators.

E. Wind-down of the London Used Car Superstore

30. Trinity Car Sales Inc. operates the London Used Car Superstore from leased premises located at 746 Wharncliffe Road South in London, Ontario.

31. BMO seeks authority under the Initial Order for the Debtors, with the consent of the Monitor, or the Monitor on behalf of the Debtors, to wind-down or liquidate that Business as it is not viable.

F. Interim Facility and Interim Financing Charge

32. Under the Interim Term Sheet, BMO has agreed, subject to the applicable conditions, to make available a super-priority, non-revolving demand facility in a maximum principal amount of $3.5 million.

33. Advances are to be made in accordance with the Cash Flow Forecast, and no more than $500,000 in aggregate principal advances will be available before the Comeback Hearing.

34. The Interim Facility may be used for working-capital requirements, professional fees and expenses and other costs approved under the Interim Term Sheet and the Cash Flow Forecast.

35. Interest will accrue at BMO's Canadian prime rate plus 4.5% per annum, and the obligations will mature on the earliest of the events specified in the Interim Term Sheet.

36. The Cash Flow Forecast demonstrates that the initial $500,000 principal availability is reasonably necessary to permit the Debtors to meet critical operating obligations and continue the Businesses during the Stay Period.

37. The Interim Financing Charge will secure only the post-filing obligations arising under the Interim Facility.

G. The Administration Charge and the Directors' Charge

38. It is contemplated that the Monitor, Monitor's counsel, and Debtors' counsel will be granted a Court-ordered charge in the amount of $350,000 (the "**Administration Charge**") during the Stay Period, as security for their fees and disbursements incurred at their standard rates and charges, whether incurred before or after the date of the Initial Order.

39. The amount of the proposed Administration Charge is reasonably necessary to ensure the continued participation of the proposed beneficiaries, whose expertise, knowledge and assistance will be critical to the success of these CCAA proceedings.

40. All of the beneficiaries of the Administration Charge have contributed, and will continue to contribute, to these CCAA proceedings. Each of the beneficiaries of the Administration Charge will have a distinct role.

41. The Directors' Charge in the maximum amount of $250,000 is sought to secure the Debtors' indemnity in respect of qualifying post-filing liabilities and to facilitate the continued service of the Directors and Officers.

42. Each of the Directors and Officers has considerable experience with, and knowledge of, the Debtors' Businesses.

43. The Debtors require, and stakeholders will benefit from, the active involvement of the Directors and Officers during the CCAA proceedings, to facilitate the continuation of business operations in the ordinary course.

44. The proposed Initial Order does not prime a secured creditor that did not receive notice of the application for the Initial Order.

H. Stay Period

45. The Stay Period is necessary to, among other things, maintain the status quo and permit the Monitor to stabilize the Businesses, preserve the Debtors' licences, dealer and franchise agreements and critical services, and prevent individual enforcement steps from impairing enterprise value.

46. It is intended that the stay of proceedings sought under the Initial Order will prevent CRA from enforcing the Requirement to Pay during the Stay Period.

47. The stay of proceedings in favour of the Directors and Officers will ensure that they are able to focus their efforts on the Debtors' restructuring efforts.

I. Comeback Hearing

48. If the Initial Order is granted, BMO expects to return to Court on August 17, 2026 to seek an amended and restated Initial Order and related relief, including an extension of the Stay Period, increased availability under the Interim Facility, an increase to the Administration Charge, approval of a key employee retention plan and approval of a formal sale process and related sales-agent engagements.

Other Grounds

49. The provisions of the CCAA and the inherent and equitable jurisdiction of this Court.

50. Rules 1.04, 2.03, 3.02, 14.05(2), 16, 38 and 39 of the Ontario *Rules of Civil Procedure*, R.R.O 1990, Reg. 194, as amended, along with any other relevant provisions therein.

51. Section 106 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 as amended, along with any other relevant provisions therein.

52. Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the application for the Initial Order:

1. the Affidavit of Daniel To, to be sworn, and the exhibits attached thereto;

2. the Pre-Filing Report of the Proposed Monitor and the appendices thereto;

3. the consent of Goldhar to act as Monitor; and

4. such further and other evidence as counsel may advise and this Court may permit.

August 5, 2026

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Proceeding commenced at Toronto

NOTICE OF APPLICATION

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