ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: **CL-26-00000342-0000** **DATE:** **OCTOBER 1, 2026**

NO. ON LIST: **2**

TITLE OF PROCEEDING: 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. FACTUM OF THE APPLICANT (Returnable August 17, 2026) August 14, 2026 TO: THE SERVICE LIST CHAITONS LLP 5000 Yonge Street, 10th Floor

BEFORE: **JUSTICE W.D. BLACK**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
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For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
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For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Evan MacKinnon	The Monitor, Goldhar & Associates Ltd	emackinnon@ethosadvisory.ca
Boban James	Self-Represented	boban3636@gmail.com
Sarah Rustomji	Counsel for Amandeep Kaur and Jujninder Devgan	srustomji@pallettvalo.com
Naveed Z. Manzoor	Proposed CRO	naveed@faanadvisors.com

ENDORSEMENT

[1] This was an omnibus motion brought by the Monitor, (in this endorsement I will continue to use terms as defined in the Monitor's materials and in my previous endorsement in this matter) for various relief, encompassed in:

(a) An Omnibus Order:

i. Extending the stay of proceedings from the SARIO to November 27, 2026;

ii. Approving an increase to the amount secured by the Interim Financing Charge up to the maximum of $5,000,000 (plus interest, costs, and fees), pursuant to the First Amended Interim Financing Term Sheet;

iii. Approving the fees and disbursements of the Monitor and its counsel Gowling, and approving the activities, actions and conduct of the Monitor as described in the Monitor's Reports;

iv. Authorizing the Monitor to remove Boban James and Godshi Boban from their positions as directors of the Companies (as applicable);

v. Declaring that the Companies meet the WEPP Relief criteria prescribed by the WEPP Regulations; and

(b) A CRO Appointment Order;

i. Approving the engagement of FAAN Advisors to provide the services of Naveed Manzoor to act as CRO; and

ii. Providing that the CRO shall be entitled to the benefit of the CRO Charge on the assets, property and undertaking of the Companies, which charge shall not exceed the aggregate amount of $75,000, as security for their fees and disbursements, which CRO Charge will rank pari passu with the Sales Agent charge as provided in paragraph 50 of the SARIO.

[2] As a preliminary matter, I note that Monitor's counsel pointed out that relative to the proposed WEPP relief (set out in paragraph [1](a)(v) above), notice had not yet been provided to the relevant Federal HR authority, and, while likely permissible to proceed without such notice having been provided, prudence dictates giving that notice and receiving whatever input is forthcoming.

[3] I agreed that on balance that would be the appropriate approach, but I also share counsel's concern to ensure that the matter is addressed expeditiously in order to provide certainty and available benefits to impacted employees as soon as reasonably possible. As such, it was agreed that the Monitor (or its counsel) will provide that notice forthwith, and that, if a timely answer is forthcoming, I will make myself available at 8:30 one morning during the week of October 19, on short notice, to deal with this head of relief.

[4] Apart from that item, the motion proceeded with respect to all remaining items of relief.

[5] The only opposition to any of that remaining relief sought came from Mr. Boban James, who attended on the motion, and who purported to explain certain suspicious transfers of funds, identified by TD Bank and flagged for potential fraud.

[6] The Flagged TD Transactions were associated with Trinity Car Sales Inc., Trinity Auto Inc., and Mississauga Chrysler. The Flagged TD Transactions, six in total, were initiated from July 28 to August 6, 2026 – so effectively on the eve of the Initial Order – and were in amounts totaling $769,959.95.

[7] On September 8, 2026, at the Mississauga Chrysler location, a representative of the Monitor brought the Flagged TD Transactions to the attention of the Companies CFO, Susan Smith, who responded: "those are to me."

[8] That is, Ms. Smith purported that the $769,959.95 comprised payments she asserts were owed to her by the Companies for services Ms. Smith provided to the Companies as a consultant/employee dating back a number of years. Ms. Smith specifically confirmed that the transfers were requested and made due to the pending CCAA Proceedings.

[9] She confirmed that at her request, Boban James had transferred the Flagged Funds from the Companies' TD accounts to other accounts at TD held by Ms. Smith personally and/or by a corporation she incorporated and controls (1000745734 Ontario Inc.).

[10] At that time, Boban James had sole control over the Companies' TD accounts and was the primary authorized user for those accounts.

[11] As a result of the revelation concerning the suspicious transfers to Ms. Smith, her employment was terminated on September 9, 2026. Fortunately, I am advised, the Flagged Funds have been secured.

[12] In his submissions resisting his removal, and that of Godshi Boban, as directors of applicable Companies, Boban James essentially echoed the explanation offered by Ms. Smith concerning the circumstances of the transfer of the Flagged Funds. In my view, that explanation is wanting and in no way provides substantiation let alone justification of suspicious transfers in the face of a looming CCAA application. It smacks, frankly, of an attempt to misappropriate funds before the pending court order and the resulting appointment of a Monitor would make such removal of funds impossible.

[13] With respect to the proposed removal of directors, the Monitor relies upon the provisions of subsection 11.5(1) of the CCAA, which contemplates the removal of directors,

> "if the court is satisfied that the director is unreasonably impairing or is likely to unreasonably impair the possibility of a viable compromise or arrangement being made….or is acting or likely to act inappropriately as a director in the circumstances."

[14] Against that backdrop, the Monitor maintains that the continued incumbency of Boban James and Godshi Boban as directors would impair or threaten to impair the ability of the Debtors to restructure through the SISP and generally because:

(a) Boban James has failed to respond to the allegations (set out above in connection with the Flagged Funds and the suspicious transfers) set forth in the Third Supplement to the Monitor's Second Report;

(b) Godshi Boban does not perform any employee or management functions for the dealership businesses;

(c) Boban James has failed to identify or explain the cause of the vehicles "sold-in-violation" or explain the use of the relevant proceeds which, as at the date of the Initial Order amounted to approximately $13 million in sold-in-violation vehicles (which amount has increase to approximately $17 million); and,

(d) As noted, between July 28 and August 6, 2026, Boban James transferred $769,659.95 from the Debtors' TD bank accounts to bank accounts controlled by Susan Smith, the former CFO of the Debtors.

[15] I find that these facts reflect ample reason for the conclusion that these directors have been unreasonably impairing and would, if left in place, continue to unreasonably impair the possibility of a viable compromise or arrangement ultimately being reached in these proceedings. As such, I am granting this relief.

[16] I likewise find that the other items of relief sought are reasonable and appropriate:

(a) The current Stay Period should be extended to November 27, 2026, as requested in order to provide breathing room to effect the SISP and to negotiate and close one or more transactions for the Debtors' business and/or property, to diligently administer the KERP, and to accommodate efforts to maximize the value for all stakeholders through the CCAA Proceedings. The court is empowered to extend a stay under sections 11.02(2)-(3) of the CCAA where that order is appropriate in the circumstances and where the court is satisfied that the applicant has acted, and is acting, in good faith and with due diligence. I find that these criteria are met here;

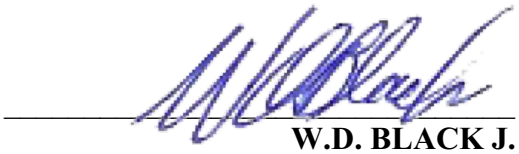
(b) The first Amended Interim Financing Term Sheet should be amended to provide the Debtors with the funding (now to a maximum principal amount of $5,000,000), to maintain going-concern operations while the SISP is implemented and one or more transactions identified;

(c) I am approving the actions, conduct and activities of the Monitor, and the Reports in which those activities are described. I find that the Monitor has acted reasonably, in good faith, and with diligence throughout;

(d) It follows, and I confirm, that the Monitors fees and disbursements should be approved, as should those of its counsel Gowling. I find all such fees and disbursements to be reasonable in the circumstances, and again find that both the Monitor and its counsel have acted with diligence and in good faith;

(e) I find, particularly in light of my findings with respect to the removal of directors, that it is entirely appropriate, and desirable to appoint Naveed Manzoor as CRO, to approve the engagement letter in that regard, and to approve the associated charge (which is authorized under subsection 11.52(1) of the CCAA). Mr. Manzoor is well-experienced in this role, and I find that his experience and expertise will be invaluable in the complex and challenging circumstances at hand;

[17] In the result, I am granting the orders – the CRO Order and the Omnibus Order revised, for the time being, to remove the WEPP relief – and have signed the orders provided.



W.D. BLACK J.

DATE: October 1, 2026