

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

BETWEEN:

**ROYAL BANK OF CANADA, IN ITS CAPACITY AS FINANCIAL SERVICES AGENT**

Applicant

- and -

**TPINE CANADA SECURITIZATION LP and TPINE CANADA GP INC.**

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243 OF THE *BANKRUPTCY AND  
INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF  
JUSTICE ACT*, R.S.O. 1990 c. C. 43, AS AMENDED**

**SECOND REPORT OF BDO CANADA LIMITED, IN ITS CAPACITY AS  
COURT-APPOINTED RECEIVER**

**JANUARY 6, 2026**

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## INTRODUCTION AND PURPOSE OF THIS REPORT

### A. Introduction

1. On September 24, 2024, pursuant to an order (the “**Initial Appointment Order**”) of the Ontario Superior Court of Justice (Commercial Court) (the “**Court**”), BDO Canada Limited (“**BDO**”) was appointed receiver and manager, without security, to act as Replacement Servicer of the Repossessed Assets (both as defined in the Turn-Over Order (as defined below)) in the possession of a Pride Entity (as defined below) as of its Effective Turn-Over Time (as defined in the Turn-Over Order) or for which steps had been taken by the relevant Pride Entity to repossess, including, without limitation, the Repossessed Assets listed in Schedule “A” to the Initial Appointment Order, as may be updated or amended from time to time, together with any rights, benefits, claims or proceeds related to such assets (collectively the “**Initial Receivership Property**”).
2. On March 17, 2025, the Court granted an amended and restated Initial Appointment Order (the “**Amended and Restated Appointment Order**”) which, among other things, extended BDO’s appointment as receiver and manager (in such capacities, the “**Receiver**”), without security, over all the assets, undertakings and properties of TPine Canada Securitization LP (the “**SPV**”), acquired for, or used in relation to a business carried on by the SPV or TPine Canada GP Inc. (“**TPine GP**”), in its capacity as general partner of the SPV, including, without limitation, the assets listed in Schedule “A” to the Amended and Restated Appointment Order, as may be updated or amended by the Receiver from time to time, together with any rights, benefits, claims or proceeds related to such assets (the “**Receivership Property**”). The Amended and Restated Appointment Order also, among other things, (i) extended the Receiver’s Charge and Receiver’s Borrowing Charge (both as defined in the Initial Appointment Order) over the Receivership Property, (ii) expanded the Receiver’s powers to provide the Receiver with the powers to deposit receipts and make disbursements from the SPV’s collection account (a “blocked account” controlled by TPine GP) (the “**Collection Account**”), and to remit GST and HST collected directly to the Canada Revenue Agency (“**CRA**”), and (iii) required that TLCC (as defined herein) provide the Receiver with books, records and information related to the performance of the Lease Portfolio (as defined below). The Amended and Restated Appointment Order is attached hereto as **Appendix “A”**.

## B. Background

3. In January 2024, BDO was initially engaged as a financial advisor by Royal Bank of Canada (“**RBC**”), in its capacity as the Financial Services Agent (in such capacity, the “**FSA**”), in respect of a securitization program involving TPine Leasing Capital Corporation (“**TLCC**”), the Canadian leasing arm for the Pride Entities (as defined below) that, among other things, performed servicing duties under the securitization program (in such capacity, the “**Servicer**”), the SPV, a special purpose vehicle established to act as borrower under the securitization lending facility (the “**Securitization Facility**”), TPine GP and Global Securitization Services, LLC (“**GSS**”), as paying agent (the “**TPine Securitization Program**”). The TPine Securitization Program is governed by applicable securitization agreements, including an Amended and Restated Loan Security Agreement dated as of December 7, 2022 (the “**LSA**”) and a Sales and Servicing Agreement dated as of January 21, 2022 (as amended, the “**SSA**”). Under the terms and conditions of the SSA, TLCC sold to the SPV certain purchased assets (the “**Purchased Assets**”), on a fully serviced basis. The SPV, which is a Respondent in these receivership proceedings, is the beneficial owner of the Purchased Assets. TPine GP, which is the general partner of the SPV, is also a Respondent in these receivership proceedings. Hereinafter, these receivership proceedings shall be referred to as the “**Receivership Proceedings**”.
4. The Purchased Assets under the TPine Securitization Program include the rights and benefits under a portfolio of leases and all payments to be made by lessees, co-lessees, guarantors, indemnitors and other obligors (collectively, the “**Obligors**”) thereunder, the vehicles or equipment securing such leases (i.e., trucks and trailers) (collectively, the “**Equipment**”) and other rights, benefits, claims or proceeds related to such assets. The SPV’s performing lease portfolio at the time of the Turn-over Order (as defined below) comprised of approximately 1,633 leases, consisting of 2,529 individual assets (the “**Lease Portfolio**”).
5. BDO was initially engaged by the FSA as financial advisor to address and report on TLCC’s handling of the Purchased Assets under the TPine Securitization Program. During the course of its engagement, serious financial issues were identified by BDO including, among other things: (i) the failure of TLCC to properly account for certain repossessed vehicles or equipment; (ii) the disclosure of numerous double vended vehicles with duplicate VIN registrations (i.e., multi-collateral vehicles or “**MCVs**”); (iii) the failure of TLCC to segregate payments from obligors with multiple lease contracts across multiple lease portfolios; (iv) the failure of TLCC to properly account for and remit sales taxes and insurance proceeds relating to certain of the Purchased Assets; (v) TLCC’s misreporting on its data sheet by not removing certain nonperforming vehicles; and (vi) TLCC “buying out” certain repossessed vehicles at their securitized value or the net present value of the remaining lease payments under a specific lease and not remitting the sales proceeds to the SPV as required under the TPine Securitization Program.

6. As a result of the issues identified by BDO, the FSA delivered various notices to TLCC and the SPV in January 2024, including the following: (i) an Activation Notice pursuant to the terms of the Blocked Account Agreement dated January 10, 2022, allowing the FSA to provide instructions with respect to the Collection Account and for RBC, as the financial institution providing cash management services in respect of the Collection Account, to sweep all amounts in the Collection Account on a daily basis; (ii) an Early Amortization Event Notice under the LSA advising, among other things, of the occurrence of an Early Amortization Event, upon which the Lenders' commitment to lend to the SPV under the TPine Securitization Program was terminated; and (iii) a Servicer Replacement Event Notice under the LSA, pursuant to which the FSA notified TLCC, in its capacity as Servicer, that a Servicer Replacement Event had occurred, and reserving its right to appoint a replacement servicer. Subsequently, the FSA appointed Vervent Canada Inc. ("**Vervent**") as the replacement servicer (in such capacity, the "**Replacement Servicer**").
7. On March 27, 2024, Pride Group Holdings Inc. and certain of its affiliates, including TLCC (the "**CCAA Applicants**"), brought an application before the Ontario Superior Court of Justice (Commercial List) (the "**CCAA Court**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, to, among other things, obtain a stay of proceedings to allow them an opportunity to restructure their business and affairs (the "**Pride CCAA Proceedings**"). As part of the Initial Order granted by the CCAA Court, Ernst & Young Inc. was appointed as Monitor (in such capacity, the "**Monitor**") of the CCAA Applicants and the CCAA Court extended the stay of proceedings over certain limited partnerships and other parties (collectively with the Applicants, the "**Pride Entities**").
8. Over the course of the Pride CCAA Proceedings, the value of the Purchased Assets, which comprised the FSA's collateral for the loans advanced to the SPV under the TPine Securitization Program, continued to deteriorate, including due to a rapid increase in reported delinquencies and a marked decrease in monthly collections from the Purchased Assets.
9. On August 8, 2024, the CCAA Court granted an order (the "**Turn-Over Order**") which, among other things, authorized TLCC to relinquish its servicing duties under the TPine Securitization Program to the FSA, or its Replacement Servicer, in respect of the "Subject Assets". The Subject Assets were those Purchased Assets with respect to which the Monitor had made a favourable turn-over recommendation as outlined in its Tenth Report filed in the Pride CCAA Proceedings, as amended by the Turn-Over Order. On the same day that the Turn-Over Order was granted, the CCAA Applicants announced an intention to wind-down the Pride Entities' dealership and leasing businesses.

10. On September 24, 2024, the FSA commenced these Receivership Proceedings and obtained an order from the Court (the "**Receivership Order**") appointing BDO as Receiver over the Initial Receivership Property in order to complete the turn-over of the Initial Receivership Property.
11. On March 17, 2025, the Court granted the Amended and Restated Appointment Order.
12. Also on March 17, 2025, the Court granted an order discharging and expunging claims under the *Repair and Storage Liens Act*, R.S.O. 1990, c. R.25 or any other similar legislation in Canada or a Province therein and any similar legislation in the U.S. (collectively, the "**RSLA**") and under the *Personal Property Security Act* in each Province and Territory in Canada and the corresponding provisions of the *Civil Code of Quebec* (collectively, the "**PPSA**") against the Receivership Property upon the Receiver posting security into its trust account (the "**Lien Trust Account**"), pending the resolution or determination of the validity and/or quantum of such claims, in accordance with the terms thereof (the "**Lien and PPSA Claims Discharge Order**"). The Lien and PPSA Claims Discharge Order is attached hereto as **Appendix "B"**.
13. The background, and evidentiary support for the Initial Appointment Order is set out in the Affidavit of Angela Becker of RBC sworn September 21, 2024 (the "**First Becker Affidavit**"). Among other reasons, the Replacement Servicer had advised the Receiver that it could not, for various reasons, service the Repossessed Assets and the Defaulted Assets. These Receivership Proceedings were therefore brought by the FSA on an expedited basis given the contemplated "Retrieval Deadline" for turning over the Initial Receivership Property (which the Pride Entities had then asserted was October 1, 2024), and the continuing deterioration of the value of the Purchased Assets.
14. Due to various issues encountered by the Replacement Servicer and the Receiver after the issuance of the Initial Appointment Order, including (i) Vervent's inability to deposit insurance and other cheques to the Collection Account, (ii) Vervent's inability to open HST and other provincial sales tax accounts, and (iii) Vervent's need for assistance with reconciling and collecting arrears owing by various Obligors, the FSA sought, and the Court granted, the Amended and Restated Appointment Order. The evidentiary support for the Amended and Restated Appointment Order is set out in the Affidavit of Angela Becker of RBC sworn March 10, 2025 (the "**Second Becker Affidavit**") and the first report of the Receiver dated March 10, 2025 (the "**First Report**"), a copy of which is attached hereto as **Appendix "C"**.
15. Since the Amended and Restated Appointment Order was granted, BDO has been acting as Receiver, for the purpose of, among other things, performing administrative and servicing duties, responsibilities and obligations with respect to the Receivership Property. Vervent continues to act as Replacement Servicer over the performing Receivership Property (the "**Performing Assets**") and delinquent assets for which repossession had not been initiated as of the transition date, pursuant to the Turn-Over Order.

16. All information regarding the Receivership Proceedings, including copies of the First Becker Affidavit and the Second Becker Affidavit, can be accessed on the Receiver's website at <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/tpine> and will remain available for a period of six (6) months following the Receiver's discharge.

### C. Purpose

17. This second report of the Receiver dated January 6, 2026 (the "**Second Report**") is prepared and filed to:
- (a) Provide this Court with certain information pertaining to the Receivership Proceedings including:
    - (i) the activities of the Receiver since the delivery of the First Report;
    - (ii) the performance of the Lease Portfolio and proceeds received in the Collections Account;
    - (iii) the Receiver's interim receipts and disbursements since the Initial Appointment Order; and
    - (iv) the Receiver's efforts to address increasing delinquencies and arrears in the Lease Portfolio.
  - (b) Request the following Orders:
    - (i) an order (the "**Collection Plan Order**") which, among other things, authorizes the Receiver to conduct a process (the "**Collection Plan**") for the quantification and resolution, through settlement or adjudication, of claims by the Receiver for outstanding amounts owing by Defaulting Obligors (as defined therein) under a lease with (or in favour of) TLCC and which constitutes Receivership Property; and
    - (ii) an order granting certain ancillary relief (the "**Ancillary Relief Order**"), including:
      - a. amending the Lien and PPSA Claims Discharge Order to clarify the scope of claims subject thereto;
      - b. requiring the Insurance Corporation of British Columbia ("**ICBC**") and all other insurers of the Receivership Property, upon receiving a request by the Receiver, to issue a cheque payable solely to TLCC where there is a claim payout in respect of the Receivership Property to two or more payees and one such payee is TLCC;
      - c. requiring the Pride Entities and/or the Monitor to forthwith, and in any event no later than January 27, 2026, transfer to the Receiver, or as otherwise directed by

the Receiver, all books, records, reports and other documents and information maintained by or on behalf of the Pride Entities in respect of or related to (i) legal proceedings commenced by or against TLCC with respect to the Receivership Property, (ii) Obligors of the Receivership Property, and (iii) all other credit files associated with the Receivership Property;

- d. authorizing and directing the Receiver to establish and maintain the holdbacks and reserves as described herein;
- e. authorizing the Receiver to make an initial interim distribution in the amount of \$10,000,000 to the FSA (the “**Initial Distribution**”), and thereafter if the Receiver is holding funds that exceed any reserves that it considers appropriate, including the Reserve (as defined below), to make additional distributions (the “**Distributions**”) to the FSA, from the proceeds of the Receivership Property up to the aggregate amount of the Outstanding FSA Indebtedness (as defined below);
- f. approving the Reimbursement Agreement dated January 6, 2026 between the Receiver and the FSA (the “**Reimbursement Agreement**”), and authorizing the execution thereof;
- g. approving the First Report and this Second Report and the activities of the Receiver set out therein; and
- h. approving the Receiver’s professional fees and disbursements and those of its legal counsel, Osler, Hoskin & Harcourt LLP (“**Osler**”).

#### **D. Disclaimer**

- 18. In preparing this Second Report, the Receiver has relied upon unaudited financial information, books and records and other documents provided by and discussions with management of the Pride Entities and the Monitor, as well as on information and reports provided by consultants, agents, and other third-party service providers engaged by the Receiver (the “**Information**”). The Receiver has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CASs**”) pursuant to the Chartered Professional Accountants Canada Handbook, and accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CASs in respect of the Information

19. This Second Report has been prepared for the purposes described below and to assist the Court in making a determination of whether to approve the relief sought described below. Accordingly, the reader is cautioned that this Second Report may not be appropriate for any other purpose. The Receiver will not assume personal or corporate responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Second Report different than the provisions of this paragraph. Any use which any party, other than the Court, makes of this Second Report or any reliance on or a decision made based upon it is the responsibility of such party.
20. Capitalized terms not defined in this Second Report are as defined in the First Report.
21. Unless otherwise stated, all monetary amounts contained in this Report are expressed in Canadian dollars.

#### **ACTIVITIES OF THE RECEIVER**

22. Since the First Report, the Receiver has (among other things):
  - (a) Opened various estate trust bank accounts to segregate funds received from: (i) proceeds of the sale of MCVs, (ii) multi-collateral lease payments (“**MCL**”), (iii) sales taxes collected from Equipment sales and lease collections, and (iv) a Lien Trust Account as required by the Lien and PPSA Claims Discharge Order.
  - (b) Coordinated with the Monitor and the Pride Entities’ staff to retrieve 490 Repossessed Assets from the various Pride Entity lots across Canada and the United States.
  - (c) Reviewed and provided analyses to the FSA to negotiate and execute separate MCV Agreements (the “**MCV Agreements**”) on an interim basis with various Securitization Parties (as defined in the Turn-Over Order).
  - (d) Reviewed and provided analyses to the FSA to negotiate and execute separate MCV Agreements on a final basis with various Securitization Parties.
  - (e) Engaged in various discussions with Alvarez & Marsal Canada Inc., in its capacity as the CCAA Court-appointed Manager in the Pride CCAA Proceedings (in such capacity, the “**Collateral Manager**”) in respect of various issues arising during the course of the Pride CCAA Proceedings and these Receivership Proceedings.
  - (f) Entered into wholesale channel sale agreements (“**Dealer Agreements**”) with several third-party dealers (each a “**Dealer**”) to sell certain Repossessed Assets.

- (g) Reconciled proceeds received from the sale of Receivership Property in connection with the Dealer Agreements. In one instance, the Receiver found significant irregularities with the proceeds reported and paid by one such Dealer (a “**Defaulting Dealer**”) as well as conduct by said Dealer that was contrary to the applicable Dealer Agreement. As a result, the Receiver terminated the applicable Dealer Agreement and ultimately negotiated a settlement with the Defaulting Dealer.
- (h) Arranged to insure all the Receivership Property stored with the Dealers.
- (i) Regularly reconciled inventory listings provided by the Dealers with the Receiver’s records.
- (j) Engaged in discussions with various GPS service providers to secure service for the Receiver and Vervent.
- (k) Engaged in regular discussions and weekly meetings with Vervent in respect of various portfolio management related issues including but not limited to Obligor payment defaults, repossessions, portfolio performance, Vervent’s monthly reporting, bank reconciliations, HST/PST collection and reporting, and issues communicated by insurers and Obligors.
- (l) Engaged in various discussions with insurers in respect of a range of issues.
- (m) Arranged for the repossession of various Receivership Property from insolvent Obligors, Obligors in default and Obligors wanting to surrender their leased assets.
- (n) Attended weekly meetings and regularly communicated with the FSA in respect of the status of the Receivership Proceedings and day-to-day portfolio management issues.
- (o) Engaged in communications with Obligors in arrears of their lease agreement payments (“**Defaulting Obligors**” and each a “**Defaulting Obligor**”).
- (p) Engaged in discussions with two parties who erroneously removed the SPV’s PPSA registration on title to the Receivership Property and directed counsel to re-register in the PPSA. The Receiver has entered into a settlement with one such party that provided for the reimbursement to the estate for the costs to rectify the erroneous discharge of SPV’s registration and is in discussions with the other.
- (q) As described in greater detail below, engaged Stephen Walters Professional Corporation, a third-party collections agency (the “**Collection Agent**”) to collect outstanding amounts owing from certain Defaulting Obligors.
- (r) With the assistance of the Receiver’s counsel, sent Demand Letters (as defined herein) to Defaulting Obligors who were in excess of 3-months in arrears of their lease payments (as defined and described below).

- (s) With the assistance of the Receiver's counsel, sent, on a without prejudice basis, Rehab Letters (as defined herein) to Defaulting Obligors who were less than twelve (12) months in default of their lease agreements (as defined and described below).
- (t) With the assistance of the Receiver's counsel, the Collateral Manager and the Collateral Manager's counsel, developed the Collections Plan.
- (u) Monitored the hotline and email address established to assist Vervent with servicing the Lease Portfolio and responded to various inquiries from Obligors.
- (v) Communicated with bailiffs and repair shops where Receivership Property has been abandoned and engaged in discussions with such parties to repossess and sell the Receivership Property and deal with the removal of possessory and non-possessory repair and/or storage liens.
- (w) Prepared numerous reconciliations and analysis for the FSA and Vervent on the Lease Portfolio to track sale proceeds, insurance proceeds, assets removed from the portfolio, losses and performance metrics to properly manage the portfolio and ultimately track the history of over 3,500 leases given the imperfect data and information provided by TLCC as the prior Servicer.
- (x) Reviewed numerous motion records and reports delivered, and orders granted, in the Pride CCAA Proceedings to provide advice to the FSA with regard to the TPine Securitization Program.
- (y) Engaged with counsel to the Pride Entities and the Monitor in connection with the Pride CCAA Proceedings.
- (z) Conducted bankruptcy and receivership searches to determine obligor insolvencies and contacted the respective receivers and/or trustees in bankruptcy to determine the possible whereabouts of missing Receivership Property and repossessed same where the location of the asset was known.
- (aa) Reviewed and approved recommended reconditioning and repairs to all MCV and single-collateral vehicle ("**SCV**") assets retrieved in order to prepare them for sale.
- (bb) Reviewed Dealer vehicle and trailer offers and completed the sales, including creating Bills of Sale to the respective Dealers, arranging for the transfer of ownerships and the release of liens and PPSA registrations.
- (cc) Received and deposited vehicle buyout, insurance and other cheques into the Receiver's trust bank accounts as a result of Vervent inability to make deposits or withdrawals into the various bank accounts established by the Receiver or the Collections Account.

- (dd) Reviewed lease payouts to determine entitlement to insurance proceeds and communicated with insurers to cancel and reissue cheques payable only to TLCC (as further described below).
- (ee) Processed various payments including, but not limited to: payments to Obligors for lease overpayments; equity payments to Obligors where insurance proceeds exceeded the Stipulated Loss Value (as defined herein); payments required to release liens registered on Equipment; payments to parties requiring payment prior to releasing the vehicle in their possession (i.e. garages, storage facilities, etc.); payments to tow companies; and payments to Vervent for servicing fees.
- (ff) Engaged with the FSA regarding insurance cheques payable to multiple payees (as described further below).
- (gg) Engaged with the FSA and Vervent to review and coordinate HST, GST and PST calculations, collections and remittances.
- (hh) Prepared this Second Report to the Court.

#### **LEASE PORTFOLIO AND COLLECTIONS ACCOUNT**

- 23. Vervent, as Replacement Servicer, has been servicing the Lease Portfolio since October 2024. On or around that date, in light of the transition, Vervent sent letters to Obligors regarding the collection of lease payments from Obligors and provided instructions regarding same. In or around April 2025, the Receiver's legal counsel sent letters to Obligors reiterating that the Leases continue to be in force and reminding them how to make payments to the Replacement Servicer.
- 24. One of Vervent's principal duties in this regard is collecting lease payments from Obligors via monthly pre-authorized payment withdrawals from an Obligor's bank accounts ("**PAP**"). The PAP withdrawals occur on the 1<sup>st</sup>, 15<sup>th</sup> and 20<sup>th</sup> of each month. In addition, Vervent collects amounts from Obligors who wish to payout the balance of their respective leases before the end of the lease term ("**Buyout(s)**"). Until November 17, 2025, all amounts collected by Vervent have been deposited into the Collection Account. On November 17, 2025, the Receiver assumed GSS's duties as paying agent and a new Collection Account was opened, with the consent of the FSA. On a monthly basis, payments are made from the new Collection Account in accordance with the waterfall of the payments described below as required by the SSA.
- 25. In addition to collecting and depositing lease payments and Buyout amounts in the Collection Account, Vervent and/or the Receiver have also deposited into the Collection Account certain amounts collected in respect of MCLs pursuant to the MCV Agreements totaling \$1,144,209 pre- Receivership. There is an estimated additional \$1,824,708 in MCL collections post-Receivership.

26. The net balance collected in each month in the Collection Account is disbursed on the 25<sup>th</sup> day of the following month (i.e. October net PAP and Buyouts are disbursed November 25<sup>th</sup>) as following:
- (a) an amount equal to the HST and other sales taxes charged on monthly lease amounts due from Obligors on an accrual basis is deposited in a trust account established by the Receiver. The HST and other sales taxes will be paid on the payment due date. CRA has advised the Receiver that the SPV is currently an annual HST filer; accordingly, the Receiver is holding HST funds in trust and will remit the HST at the appropriate time;
  - (b) payment of the monthly servicing fee to Vervent, as Replacement Servicer;
  - (c) payment of the Receiver's monthly fees and disbursements;
  - (d) payment of the Receiver's counsel's monthly fees and disbursements;
  - (e) payment of an interest rate swap;
  - (f) payment to the paying agent, GSS, for its services of processing all monthly settlement payments described in (a) through (e) above; and
  - (g) any remaining balance is remitted to the FSA to pay down the principal and interest owing under the LSA.
27. On November 17, 2025, with the agreement of the Receiver, the FSA and GSS, the Receiver assumed GSS's duties as paying agent, and the agreement with GSS was terminated.
28. During the period October 2024 to November 30, 2025, \$57.02 million has been collected by Vervent and/or the Receiver and deposited into the Collection Account. Total payments from the Collection Account during the same period are summarized in the following table. As presented, principal and loan payments under the LSA totaling \$43.8 million have been paid to the FSA as the senior secured creditor in accordance with the provisions of the SSA.

**Disposition of Collection Account Funds**

HST and sales taxes paid in trust	\$ 7,294,786
Payments made to:	
- Vervent	2,384,472
- Receiver	1,799,175
- Receiver's counsel	335,181
- GSS	16,250
Interest rate swap	1,395,973
Loan principal repayment	30,841,732
Loan interest payments	12,952,572
<u>Total funds deposited in Collection Account</u>	<u>57,020,141</u>

## RECEIVER'S INTERIM RECEIPTS AND DISBURSEMENTS

29. Attached hereto as **Appendix "D"** is the Receiver's detailed initial statement of receipts and disbursements (the "**Interim R&D**"). The Interim R&D presents receipts, disbursements and the net funds held in each of the Receiver's six (6) trust bank accounts. The table below summarizes same.
  
30. As presented, the largest receipts relate to:
  - (a) proceeds from the sale of Repossessed Assets, Receivership Property abandoned at various repair shops, Receivership Property repossessed from insolvent Obligors and from Obligors in default of their lease obligations. This category includes proceeds from both MCVs and SCVs;
  - (b) collection of SCV and MCL lease payments from Obligors via Vervent;
  - (c) collection of HST on the sale of Repossessed Assets and from lease payments made by Obligors;
  - (d) insurance proceeds received from various insurance companies who insured the Receivership Property; and
  - (e) an initial advance from the FSA.
  
31. The largest disbursements relate to:
  - (a) payments made to Vervent, as Replacement Servicer, in respect of the servicing of the Lease Portfolio;
  - (b) payments made to the Receiver and the Receiver's counsel in respect of professional services provided to the SPV;
  - (c) payments made to the Monitor as required by the Turn-Over Order;
  - (d) insurance premium payments required to insure the Repossessed Assets and Receivership Property that have been repossessed by the Receiver; and
  - (e) reserve payments made to the HST, GST, PST, MCV/MCL and lien trust bank accounts.
  
32. The Receiver's Interim R&D reports receipts over disbursements of \$36,972,109 for the period ended December 24, 2025.

## Summary of Receipts and Disbursements

September 24, 2024 to December 24, 2025

\$ CDN

Receipts:

Proceeds from vehicle sales (includes MCV)	25,329,378
Lease and buyout payments received from Obligorors (via Vervent)	9,532,154
HST collected on lease payments	7,016,786
MCV and MCL payments held in trust	6,966,373
Insurance proceeds	2,116,809
Lease and buyout payments received from Obligorors	1,226,074
Advance from secured creditor	709,040
HST collected on vehicle sales	383,675
Other	3,285,644

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Total Receipts	56,565,932
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Disbursements

Transfer to HST trust account	2,947,031
Loan and interest payments	2,760,814
Transfer payments in respect of MCV's to MCV trust account	6,966,373
HST collected on leases and buyouts (paid to trust account)	1,255,961
Loan interest swap payments	435,165
Receiver's fees	396,410
Payments to servicer	395,069
Legal fees	296,622
Sale commissions	237,967
Tow truck charges	217,949
Turnover fees paid to Monitor	214,688
Storage and lien charges	156,955
Insurance	123,711
HST paid on disbursements	150,517
Other	3,038,593

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Total Disbursements	19,593,823
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<b>Net Receipts over Disbursements</b>	<b>36,972,109</b>
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### LEASE PERFORMANCE, DEFAULTS AND COLLECTION EFFORTS SINCE THE INITIAL APPOINTMENT ORDER

33. As noted above, Vervent has been servicing the Lease Portfolio since October 2024.
34. As part of its Replacement Servicer responsibilities, Vervent (among other things) (i) initiates outbound communications to Defaulting Obligorors (as further described below), (ii) maintains a toll-free number for inbound Obligor inquiries and responds to same, (iii) tracks and reports to the Receiver on insurance matters, recovery of Equipment, sales tax issues, delinquent accounts and expiring lease agreements, (iv) recovers, repossesses and remarkets Equipment where necessary, and (v) calculates the sales taxes collected in respect of the Receivership Property.

35. With respect to the collection of lease payments, Vervent's efforts have consisted of the following:
- (a) Calls to Obligor – prior to September 2025, Vervent used automating calling technology to call Defaulting Obligors. Calls were made to Defaulting Obligors six (6) days after each payment default and then every three (3) days thereafter. After September 2025, at the request of the Receiver, Vervent converted their call protocol to manual human calls in an effort to reach as many Defaulting Obligors as possible on a daily basis. This has generally been more effective in reaching Defaulting Obligors, however, is significantly more costly than automated calling.
  - (b) Emails and text messages – Vervent sends an email and text message to Obligors where a PAP is not active 5 days before a payment is due. In addition, Vervent sends an email to Defaulting Obligors once a payment is 16 days past due and then again every 30 days thereafter. As a result, Defaulting Obligors who have been in default for more than one (1) month will receive monthly emails advising that their payment is due and owing. Where an email or phone number is not correct, Vervent has been instructed by the Receiver to search public databases in an effort to obtain more current contact information. Attached hereto as **Appendix “E”** is a sample of an email and text message sent to such Defaulting Obligors.
  - (c) Mailing Statements and Invoices – on a monthly basis, Vervent sends the following to Obligors and Defaulting Obligors (as applicable) via regular mail:
    - (i) Statements detailing the current monthly payment and arrears balance;
    - (ii) Past due letters advising Defaulting Obligors that their account is in arrears;
    - (iii) Payment reminder letters;
    - (iv) Default letters;
    - (v) Letters requesting Defaulting Obligors who have deactivated their PAPs to provide bank details so that the PAPs may be re-established;
    - (vi) Letters to Defaulting Obligors advising them that their payment was returned;
    - (vii) Letters requesting Defaulting Obligor make a one-time payment to settle the arrears balance; and
    - (viii) Letters to Defaulting Obligors providing a final opportunity to cure the default before repossession.
36. Redacted samples of the foregoing statements and letters are attached hereto as **Appendix “F”**.

37. Notwithstanding Vervent's efforts to contact Defaulting Obligors through the above-noted means, the number of delinquent accounts has materially increased since the Initial Appointment Order. The tables below summarize the dollar value of the payment defaults together with the number of VINs in default as at January 2025 and then as of September 30, 2025, demonstrating the significant increase in delinquent accounts over this period. Of the \$55.9 million in payment arrears (>75 days delinquent) as of September 30, 2025, 76.4% are aged over 365 days, indicating the vast majority of the Defaulting Obligors have not been making their lease payments for over 365 days while maintaining possession of the respective Equipment. As noted above, the Lease Portfolio consisted of 2,529 leases as of the Turn-Over Order; currently, 1,226 or 48.5% of the VINs are in default.
38. In contrast, at January 31, 2025 of the payment arrears (>75 days delinquent) of \$33.2 million, only 28.2% were aged over 365 days. This is an increase of 48.2% and an increase of 616 VINs.
39. At January 31, 2025, 791 or 31.3% of the VINs were in default compared to 1,226 at September 30, 2025.

**Summary of Delinquent Account - January 2025**

Days delinquent	76 to 120 days	121 to 210 days	211 to 300 days	301 to 365 days	>365 days	Total
\$ value of arrears	\$ 4,179,308	7,725,073	5,497,789	6,445,259	9,380,098	33,227,526
\$ arrears as a % of total arrears	12.6%	23.2%	16.5%	19.4%	28.2%	100.0%
# of delinquent VINs	209	227	115	113	127	791
as a percentage of total VINs	26.4%	28.7%	14.5%	14.3%	16.1%	100.0%

**Summary of Delinquent Account - September 2025**

Days delinquent	76 to 120 days	121 to 210 days	211 to 300 days	301 to 365 days	>365 days	Total
\$ value of arrears	\$ 870,851	1,808,617	2,983,570	7,547,840	42,716,581	55,927,459
\$ arrears as a % of total arrears	1.6%	3.2%	5.3%	13.5%	76.4%	100.0%
# of delinquent VINs	62	87	111	223	743	1,226
as a percentage of total VINs	5.1%	7.1%	9.1%	18.2%	60.6%	100.0%

40. In addition, repossessions are challenging, as the Equipment is typically in constant motion and difficult to locate. To date, approximately 340 vehicles are out for repossession but only ten have been repossessed. Repossession attempts have failed because the Equipment could not be located and the bailiffs have exhausted all leads. Additionally, approximately only 30% of GPS (Global Positioning System) devices are active in the Equipment. The Receiver expects the number of failed repossessions to continue to increase the longer the Equipment remains unlocated.

## **ENHANCED EFFORTS TO COLLECT ARREARS AND REDUCE DELIQUENT ACCOUNTS**

41. As a result of the increasing number of delinquent accounts, the Receiver and Vervent have implemented additional measures over the past several months to contact Defaulting Obligor and collect Arrears or, where necessary, repossess Equipment.

### **A. Engaging a Collection Agent to Assist**

42. In October 2025, the Receiver engaged the Collection Agent to assist the Receiver with the collection of 15 severely delinquent accounts. Of the 15 accounts, the Collection Agent has been able to make contact with each of the accounts assigned. Only one (1) Defaulting Obligor has made arrangements to re-establish monthly payments, and one (1) Defaulting Obligor has made arrangements to pay the arrears. The other 13 Defaulting Obligors are either requesting settlements for a fraction of the arrears in exchange for the Equipment, or advising they are considering their options, or have indicated they will surrender the Equipment. The number of calls and emails made by the Collection Agent have been significant and disproportionate relative to the results obtained to date and the fees earned by the Collection Agent.

### **B. Direct Outreaches by the Receiver**

43. In addition to the efforts of the Collections Agent, the Receiver has also attempted to contact certain Defaulting Obligors to re-establish payment and collect arrears. In certain instances, the Receiver has requested its counsel to attempt to engage with certain Defaulting Obligors who were in possession of a large number of Equipment that were severely in default. In many cases, the Defaulting Obligor agreed to deliver the Equipment to a specified location or make the Equipment available for retrieval by the Receiver. As a result of these efforts, the Receiver and its counsel have been able to obtain possession of approximately 100+ pieces of Equipment from Defaulting Obligors.
44. Unfortunately, while the above-noted efforts has shown some promise, they have ultimately been minimally successful in having the Defaulting Obligors pay their arrears or re-establish monthly payments. In many cases, the Defaulting Obligors who have been contacted have terminated calls mid-call and have been unwilling to engage in further discussions with the Collection Agent, Vervent, or the Receiver. In other cases, the Defaulting Obligors have indicated that they do not believe that they are responsible for making payments due to the Pride Entities' insolvency. Other Defaulting Obligors have stated that they believe the value of their Equipment has decreased over the period of their non-payment and are therefore unwilling to pay the arrears but may be prepared to purchase the Equipment for some value perceived by them to be "fair" (which in many cases differs significantly from the fair market value determined by the Receiver). Other Defaulting Obligors acknowledge their arrears and have attempted to negotiate a nominal settlement.

45. A small number of Defaulting Obligors have indicated to the Receiver or its counsel that they believe they had entered into rental agreements as opposed (or in addition) to a lease with TLCC and assert that TLCC is in default of its obligations under these rental agreements. The majority of these Defaulting Obligors have been unable to provide the Receiver with signed rental agreements and in situations where a Defaulting Obligor is able to provide such an agreement, the Pride Entity which entered into the maintenance and replacement agreement and/or rental agreement is not TLCC, but rather a separate Pride Entity (or a predecessor to a separate Pride Entity). The Defaulting Obligors who are asserting that they were party to a rental agreement have, to date, refused to pay any monthly amounts owing under their lease agreements with TLCC all the while retaining the Equipment.
46. Remarkably, many of the Defaulting Obligors who have refused to make their monthly lease payments are still in possession of and continue to use the leased Equipment. In several cases, the Defaulting Obligors have been involved in accidents which have damaged the leased Equipment resulting in insurance claims being filed.

### C. Demand Letters

47. In early November, the Receiver with the assistance of its counsel, prepared and mailed letters to all Defaulting Obligors who were three (3) or more months in arrears (the “**Demand Letters**”) demanding payment of the total outstanding amounts owing under the leases, including the unpaid arrears and all other amounts that have or will become due pursuant to the respective leases. The Receiver advised that if the unpaid arrears were not rectified immediately, the Receiver would seek all remedies available to it to collect the outstanding amounts, including repossession of the applicable Equipment and commencement of legal proceedings against the Defaulting Obligor. In total, 423 Demand Letters were sent to Defaulting Obligors comprising 797 leases, 1226 unique VINs with aggregate arrears, before late charges, interest and NSF charges, totalling \$55.9 million.
48. As of the date of this Second Report, of the 423 Demand Letters that were sent to Defaulting Obligors, only 73 (or 17%) of Defaulting Obligors have responded to the Receiver, its counsel or Vervent. This represents 19% of the VINs which are in arrears or 10% of the dollar value of the arrears.

### D. Rehab Letters

49. In a further effort to contact Defaulting Obligors and reduce delinquencies, on November 27, 2025, the Receiver, through its counsel, sent letters (the “**Rehab Letters**”) to Defaulting Obligors who were between three (3) and twelve (12) months in arrears of their respective leases offering them, on a without prejudice basis, the opportunity to rehabilitate their accounts on certain specified terms. The offers extended in the Rehab Letters expired on their terms on December 22, 2025.

50. In total, 206 Rehab Letters were sent to Defaulting Obligors comprising 303 leases, 384 unique VINs with aggregate arrears, before late charges, interest and NSF charges, totalling \$11.3 million.
51. The table below summarizes the number of Demand Letters and Rehab Letters sent together with the number of Defaulting Obligors who have responded to the Demand Letters and Rehab Letters.
52. Of the 206 Rehab Letters sent by the Receiver, 59 or 29% of Defaulting Obligors have responded as of December 23, 2025. This represents 41% of the VINs which qualify for rehabilitation or 16% of the dollar value of the arrears.

Summary of Demand and Rehab Letters					
	Reference	# of Obligors	# of Leases	# of VINs	\$ Delinquency
Letters Sent:					
Demand Letter	[A]	423	797	1226	\$ 55,927,459
Rehab Letter	[B]	206	303	384	\$ 11,344,666
Responses:					
Qualify for Rehab	[C]	59	115	159	\$ 1,783,430
Does not qualify for Rehab	[D]	14	39	73	\$ 4,004,055
Total responses	[C +D] = [E]	73	154	232	\$ 5,787,485
Responses as % of Demand Letter	[E]/[A]	17%	19%	19%	10%
Responses as % of Rehab Letter	[C]/[B]	29%	38%	41%	16%

## COLLECTION PLAN ORDER

### A. Collection Plan: Overview

53. As a result of the number of delinquent accounts with significant arrears, payment defaults and the logistical challenges that the Receiver has encountered in communicating with Defaulting Obligors, and enforcing its rights, the Receiver (with the assistance of the Collateral Manager) has developed a process – the Collection Plan – to empower the Receiver to quantify and resolve (either through adjudication or settlement) “Receiver’s Claims”, being the Receiver’s formal claim for payment of the outstanding indebtedness owing to the SPV by each Defaulting Obligor under a “Lease” (i.e., each lease agreement, guarantee, indemnity and related documentation with (or in favour of) TLCC to which a Defaulting Obligor is bound and which constitutes Property (as defined in the Amended and Restated Appointment Order)). An efficient claims process, as provided for in the Collection Plan, is required for the Receiver to resolve claims against the Defaulting Obligors in a timely and cost-effective manner. Given the number of leases and the overlapping issues, the Collection Plan is the most efficient process to resolve these claims.
54. In broad terms, the Collection Plan provides as follows (described in more detail below):

- (a) The Receiver will serve on each Defaulting Obligor who is subject to the Collection Plan a claims package (the “**Claims Package**”) which shall include, among other things, the Receiver’s Claim setting out the amount of the Receiver’s claim, plus interests and applicable fees, and legal costs, the applicable Settlement Offer (as defined below) and a blank form of Notice of Dispute (as defined below);
  - (b) Defaulting Obligors shall have 45 days from the date of the Claims Package to either (i) accept and pay the Settlement Offer, or (ii) file with the Receiver the Notice of Dispute and supporting documentation. Defaulting Obligors who are currently in possession of Equipment and elect to file a Notice of Dispute must turnover such Equipment to the Receiver no later than 10 days after the Response Deadline (as defined below). If the Defaulting Obligor does not respond at all, the Receiver will be entitled to default judgment;
  - (c) In the Receiver’s discretion, any disputed claims (each, a “**Disputed Claim**”) can be referred to a Claims Officer (as defined below) or brought before the Court for determination. The Claims Officers shall have the discretion to determine how each Disputed Claim shall proceed and may request additional materials from the parties. A Claims Officer’s determination may be appealed to this Court within 15 days of a Claims Officer’s decision;
  - (d) Any Defaulting Obligor that fails to dispute a claim by the date that is forty-five (45) days from the date on which the Receiver sends or causes to be sent a Claims Package to the Defaulting Obligor (the “**Response Deadline**”) is a “**Undefending Defaulting Obligor**” and shall be deemed to be in default and deemed to admit the allegations of fact in the applicable Receiver’s Claim (the “**Undefended Claim**”), including the amounts owing by them;
  - (e) The Receiver shall be entitled to seek default judgment against the Undefending Defaulting Obligors to be issued by the Court in the amounts set out in the Undefended Claims and the Receiver shall be authorized to enforce judgement against Defaulting Obligors in the amounts determined by the Claims Officers and shall bring a motion to the Court for the purpose of obtain such judgments; and
  - (e) Service and adjudication of each Receiver’s Claim in accordance with the terms of the Collection Plan Order shall form a sufficient basis upon which this Court may grant judgment against the applicable Defaulting Obligor.
55. For the purposes of the Collection Plan and the Collection Plan Order, a “**Defaulting Obligor**” is any lessee, co-lessee, indemnitor, guarantor or other obligor under a Lease (each, an “**Obligor**”), excluding the following Obligors (each an “**Excluded Defaulting Obligor**”):

- (a) an Obligor subject to an existing judgment, including a default judgment, in respect of the debt owed to the SPV under the Lease;
  - (b) an Obligor that is the subject of a payment plan or settlement (including a settlement contemplated by the Collection Plan Order) between the Obligor and the Collection Agency or the Receiver, where the Obligor is not in default under such plan or settlement;
  - (c) an Obligor that is in default under a Lease for less than sixty (60) days; or
  - (d) an Obligor subject to CCAA, BIA bankruptcy, BIA proposal or Court-appointed receivership proceedings.
56. The Receiver believes that the Collection Plan is appropriate in the circumstances of this case, among other reasons, because each Lease in the Lease Portfolio follows the same form and contains the same operative language, including in respect of, among other things, lease payments, advance payments, return of equipment and defaults. Attached hereto as **Appendix "G"** is a sampling of three Leases. The Receiver understands that certain, but not all, of the Leases have been guaranteed by a third-party indemnitor or guarantor through a corporate guarantee and/or a personal guarantee, and where a guarantee has been agreed to, such guarantee, whether personal or corporate, follows a standard form. Attached hereto as **Appendix "H"** is a sampling of several personal guarantee and corporate guarantees.
57. The proposed Collection Plan is described in greater detail below.

## **B. Claims Packages**

58. Under the Collection Plan, the Receiver will, not later than thirty (30) Business Days (as defined in the Collection Plan Order) following the date of the Collection Plan Order, or such later time as determined by the Receiver in its reasonable discretion, cause the Claims Package to be sent to each Defaulting Obligor and any other interested Person by forwarding true copies thereof by prepaid ordinary mail, registered mail, courier, personal delivery or email to such Persons or their counsel at the physical or electronic address, as applicable, last shown on the books and records of the SPV.
59. Each Claims Package will contain the following:
- (a) the applicable Receiver's Claim (i.e., a standard-form initiating process (statement of claim) against the applicable Defaulting Obligor which sets out the basis of the claim, the obligations owing by the Defaulting Obligor under the applicable Lease and the damages suffered and other relief sought);

- (b) the “**Instruction Letter**” (i.e., an instruction letter to Defaulting Obligors, substantially in the form attached as Schedule “A” to the Collection Plan Order, regarding the completion of a Settlement Offer (as defined below) or a Notice of Dispute (as defined below) by the Defaulting Obligor, and the Collection Plan);
  - (c) a copy of the Collection Plan Order;
  - (d) the applicable “**Settlement Offer**” (i.e., a notice setting out the amount and/or payment terms that the Receiver is prepared to accept in full and final settlement of the applicable Receiver’s Claim, subject to the Defaulting Obligor complying and fulfilling the terms of such settlement);
  - (e) a blank form of “**Notice of Dispute**” (i.e., a notice substantially in the form attached as Schedule “C” to the Collection Plan Order, which must be received by the Receiver from any Defaulting Obligor wishing to dispute a Receiver’s Claim with reasons for its dispute and supporting documentation); and
  - (f) any other documentation the Receiver may deem appropriate.
60. The amount of the Receiver’s Claims will be calculated in accordance with each applicable Lease, as follows:
- (a) the unpaid monthly lease obligations to date (i.e., the arrears) that are owing pursuant to the applicable Lease, as set out in Schedule “A” to the Receiver’s Claim;
  - (b) all amounts that have or will become due pursuant to the applicable Lease until the termination or expiration of such Lease, as set out in Schedule “A” to the Receiver’s Claim;
  - (c) a fee of \$1,000 representing an estimate of legal and collection costs incurred to the date of issuance of the Collection Plan Order (the “**Issuance Date**”);
  - (d) the Receiver’s costs of this proceeding from the Issuance Date on a full or, in the alternative, substantial indemnity basis, plus all applicable disbursements and taxes;
  - (e) pre- and post-judgment interest on overdue payments at the rate of 24% per annum as set out in the applicable Lease;
  - (f) in the alternative to (e), above, pre- and post-judgment interest at the rate prescribed by the *Courts of Justice Act*, R.S.O. 1990 c. C. 43, as amended; and
  - (g) such further and other relief as the Claims Officers or the Court may deem just.

61. To the extent judgment is recovered against a Defaulting Obligor and subsequently the applicable Equipment is sold and proceeds obtained in respect thereof exceed the total amount of the judgment, the amount of the proceeds exceeding the judgment will be remitted to the Defaulting Obligor.
62. In addition to delivering the Claims Package to each Defaulting Obligor, the Receiver shall cause the “**Notice to Defaulting Obligors**” (i.e., the joint notice for publication by the Receiver and the Manager (collectively, the “**Court Officers**”), substantially in the form attached as Schedule “B” to the Collection Plan Order), the Instruction Letter, and a blank form of Notice of Dispute to be posted to the Receiver’s Website as soon as reasonably practicable after the date of the Collection Plan Order, and cause them to remain posted thereon until its discharge as Receiver.
63. The Notice to Defaulting Obligors will be published in *Today’s Trucking* (a print magazine), on [trucknews.com](http://trucknews.com) (an online news site), and in a related e-newsletter (together, “**Truck News**”), on the date that the first Claims Package is sent to Defaulting Obligors or, in the discretion of the Receiver, as soon as practicable thereafter. Truck News is a multi-platform trade publication targeting fleet owners, logistics executives, and owner-operators. It focuses on delivering news and articles relevant to the trucking industry and is widely circulated within the sector. *Today’s Trucking*, the print magazine, is distributed to 21,000 industry members; [trucknews.com](http://trucknews.com) receives approximately 160,000 verified (i.e., excluding non-human traffic) monthly visitors; and the Truck News e-newsletter has 21,000 daily subscribers. The Receiver understands that Truck News is regarded as a credible source of industry information.
64. In addition, the Court Officers intend to have the Notice to Defaulting Obligors translated into Punjabi, which the Receiver understands is the first language of certain Defaulting Obligors.
65. The sending of the Claims Packages and publication of the Notice to Defaulting Obligors, each as described above and as further described in the Collection Plan Order, shall constitute good and sufficient service and delivery of (a) the Collection Plan Order, (b) the Response Deadline, and (iii) the Receiver’s Claim, on all Defaulting Obligors, and no other notice or service need be given or made and no other document or material need be sent to or served upon any Defaulting Obligor or other Person in respect of the Collection Plan Order.

### **C. Resolution of the Receiver’s Claim**

66. As noted above, each Claims Package shall include a Settlement Offer. Each Settlement Offer will have the same framework, namely:

- (a) to assist Defaulting Obligors in addressing their past due obligations, the Receiver is prepared to provide Defaulting Obligors with options to adjust their payment plan to repay their arrears under the applicable Lease, provided such Defaulting Obligor complies with the applicable revised payment terms through to the end of the Lease term. The payment plan options may include:
  - (i) the Defaulting Obligor to restart regular monthly payments and extending the term of the applicable Lease by up to the lesser of: (a) the number of months the Lease is currently in arrears (e.g. no change to monthly payments); or (b) 12 months, with the arrears amortized over the extended term (e.g. monthly payment increased and includes the monthly payment plus amortized portion of arrears); or
  - (ii) entering into a payment plan acceptable to the Receiver under which the Defaulting Obligor makes lump sum payments or increases the monthly payments until the arrears are repaid in full; and
  - (iii) in the case of either option (i) or (ii), depending on the terms of the Lease, the Defaulting Obligor may also be eligible to return the underlying Equipment for realization by the Receiver, with the net proceeds applied against the arrears. Any remaining balance may be repaid through a payment plan arrangement consistent with options (i) or (ii).

67. The Settlement Offer included in each Claims Package will remain open for acceptance until the Response Deadline.

#### **D. Responding to a Claims Package**

68. A Defaulting Obligor who is served with a Claims Package may, by the Response Deadline, either (i) conclude a settlement on the terms set out in the applicable Settlement Offer, or on terms as otherwise agreed by the Receiver, in its sole and absolute discretion, or (ii) dispute the Receiver's Claim against it by submitting to the Receiver a Notice of Dispute, together with copies of all documents relied upon by such Defaulting Obligor. A Defaulting Obligor may request documents or information relating to the Collection Plan, following which the Receiver shall, as soon as reasonable possible, direct such Defaulting Obligor to the documents posted on the Receiver's Website or otherwise respond to the request for information or documents as the Receiver considers appropriate in the circumstances.

69. Where the Defaulting Obligor and the Receiver conclude a settlement on the terms set out in the applicable Settlement Offer, or on terms as otherwise agreed by the Receiver, in its sole and absolute discretion, by the Response Deadline, the Receiver will provide the applicable Defaulting Obligor with written confirmation that the Receiver's Claim has been satisfied, subject to compliance by the Defaulting Obligor with the terms of such settlement and such Obligor will cease to be a Defaulting Obligor for the purposes of the Collection Plan Order and shall thereafter become an Excluded Defaulting Obligor. For the avoidance of doubt, if such Excluded Defaulting Obligor defaults on a settlement, such Obligor shall be a Defaulting Obligor for purposes of the Collection Plan Order upon the date of such default.
70. Notwithstanding the foregoing, the Receiver may otherwise negotiate with the Defaulting Obligors for the purpose of resolving the Receiver's Claims on terms acceptable to the Receiver.
71. Subject to the terms of any settlement concluded on the terms set out in the applicable Settlement Offer, or as otherwise agreed by the Receiver, in its sole and absolute discretion, where a Defaulting Obligor submits a Notice of Dispute and such Defaulting Obligor is currently in possession of Equipment, such Defaulting Obligor shall, no later than ten (10) days after the Response Deadline turn-over to the Receiver such Equipment by:
- (a) delivering the Equipment to the Receiver, and providing the Receiver with access to the Equipment, unloaded and empty of third-party goods, at a location determined by the Receiver in its discretion;
  - (b) providing the Receiver with all copies of Related Items (i.e., the keys, title documents and any other items related to each Equipment in the possession of a Defaulting Obligor); and
  - (c) providing the Receiver with such other assistance as the Receiver may reasonably request to facilitate the turn-over of the Equipment and Related Items.

#### **E. Determination of the Receiver's Claims**

72. If a Defaulting Obligor delivers a Notice of Dispute by the Response Deadline, following the Response Deadline, the Receiver may, in its sole discretion:
- (a) refer the dispute raised in the Notice of Dispute to the Claims Officers (as defined below);
  - (b) on notice to the disputing Defaulting Obligor, bring a motion to the Court for the purpose of determining the dispute; or
  - (c) negotiate with the Defaulting Obligor for the purpose of resolving the applicable Receiver's Claim on terms acceptable to the applicable parties.

73. Upon referring a Disputed Claim to a Claims Officer, the Receiver shall, as soon as reasonably practicable, file with the Claims Officer a package (each, a “**Dispute Package**”) in respect of such Disputed Claim, containing:
- (a) the applicable Receiver’s Claim;
  - (b) the applicable Notice of Dispute, together with any supporting documentation filed by the Defaulting Obligor; and
  - (c) any ancillary documentation deemed necessary by the Receiver in support of the Disputed Claim.
74. The Receiver will provide notice to the applicable Defaulting Obligor as to whether a Disputed Claim has been referred to a Claims Officer or the Court or abandoned (i.e., no longer pursued by the Receiver), within fifteen (15) Business Days of the Disputed Claim being so referred or abandoned.
75. Any Defaulting Obligor who, by the Response Deadline, fails to either (a) conclude a settlement on the terms set out in the applicable Settlement Offer, or on terms as otherwise agreed by the Receiver, in its sole and absolute discretion, or (b) submit a Notice of Dispute, shall be deemed to be in default of the Receiver’s Claim. Each Undefending Defaulting Obligor will be deemed to admit the truth of the allegations of fact made in the applicable Undefended Claim, including the amount(s) owing by the Defaulting Obligor, and the Receiver will be entitled to default judgment against them to be issued by the Court in the amounts set out in the applicable Undefended Claim.

#### **F. Claims Officers**

76. The Receiver proposes that the Hon. Thomas J. McEwen and Kevin McElcheran be appointed as the “**Claims Officers**” pursuant to the Collection Plan Order, to assist the Receiver and the Defaulting Obligors in the determination of the Receiver’s Claims.
77. The Receiver proposes that the Hon. Thomas J. McEwen, a former Judge of this Court for over 14 years, be appointed as a Claims Officer. As a judge, Mr. McEwen was responsible for managing numerous high-profile, complex matters. Mr. McEwen is an experienced mediator and has familiarity with the Price CCAA Proceedings and the affected stakeholders as he is a Court-appointed mediator in respect of certain other issues in that proceeding. He is currently a member of the International Insolvency Institute. Mr. McEwen has agreed in principle to this mandate.

78. The Receiver proposes that, where a Disputed Claim is to be referred to a Claims Officer, it shall first be referred to Mr. McEwen and he will have the sole discretion to assign the dispute to Mr. Kevin McElcheran. Mr. McElcheran is a restructuring practitioner who has over 35 years of experience and has led the restructuring practices of two prominent Canadian law firms during his career. He is the author of several texts on insolvency law and serves as an adjunct professor in the area of commercial insolvency law at Queen's University and the University of Western Ontario. Mr. McElcheran is additionally a trained mediator and a member of the Chartered Institute of Arbitrators. He has previously acted as a claims officer in various insolvency-related matters, including Maple Bank, Nordstrom Canada and LWP Capital Inc. Mr. McElcheran has agreed in principle to this mandate.
79. Upon being referred a Disputed Claim by the Receiver, the Claims Officers will, among other things:
- (a) determine the validity and amount of such Disputed Claim, and in doing so, may determine the process by which further evidence may be brought, if necessary, as well as any other procedural matters which may arise in respect of the determination of such Disputed Claim;
  - (b) determine the manner by which hearings in respect of such Disputed Claim is conducted, which may include a hearing by written submission only, in person, or by video conference, and on a consolidated basis or individually; and
  - (c) prepare a decision (the "**Claims Decision**"), in writing, following the determination of each Disputed Claim, and provide a copy of same to the Receiver and the applicable Defaulting Obligor.
80. In carrying out their mandate, the Claims Officers are authorized and empowered to, among other things:
- adopt processes which, in their discretion, the Claims Officers consider appropriate to facilitate the adjudication of the Receiver's Claims, having regard for the principles set out in Rule 2 of the *Rules of Civil Procedure*, and with a view to proceeding in the simplest, least expensive and most expeditious fashion;
- (a) use reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered under the Collection Plan Order are completed and executed, and may, where the Claims Officer is satisfied that a Receiver's Claim has been adequately proven, waive strict compliance with the requirements of the Collection Plan Order as to completion and execution of such forms;

- (b) request any further documentation or other evidence from the Receiver, the Defaulting Obligors and/or third parties that may reasonably be required in order to determine the validity of a Receiver's Claim, including any defences thereto; and
- (c) make an award of costs against the Defaulting Obligor, having regard for the factors set out in Rule 57.01 of the *Rules of Civil Procedure*, as part of the Claims Officers' determination of the Disputed Claims. To the extent a Claims Decision affirms a Receiver's Claim, the cost award shall, at minimum, reflect the fees and disbursements incurred by the Claims Officers in determining the validity and amount of a Disputed Claim.

#### **F. Right of Appeal**

- 81. The Receiver or the Defaulting Obligor may appeal the applicable Claims Decision to the Court by serving upon the other, within the fifteenth (15<sup>th</sup>) day following the issuance of a Claims Decision in respect of a Receiver's Claim by a Claims Officer (the "**Appeal Period**"), a notice of appeal (a "**Notice of Appeal**") returnable on a date to be fixed by the Court.
- 82. If a Notice of Appeal is not served within the Appeal Period, then the applicable Claims Decision will be deemed to be final and binding and there will be no further right of appeal, review or recourse to the Court from the Claims Decision. Following the expiry of the Appeal Period, the Receiver will seek the direction of the Court regarding the procedure for the hearing of the appeals.
- 83. Following the expiry of the Appeal Period, the Receiver will be entitled to omnibus judgment(s) against the applicable Defaulting Obligors in the amounts determined by the Claims Officers, and will bring a motion to the Court for the purpose of obtaining such omnibus judgment(s). The service and adjudication of each Receiver's Claim in accordance with the terms of the Collection Plan Order shall form a sufficient basis upon which this Court may grant judgment against the applicable Defaulting Obligor.

#### **E. Service**

- 84. The Receiver shall serve and deliver or cause to be served and delivered the Collection Plan Order, once issued, the Claims Package, and any letters, notices or other documents to the Defaulting Obligors or any other interested Person by forwarding true copies thereof by prepaid ordinary mail, registered mail, courier, personal delivery or email to such Persons or their counsel at the physical or electronic address, as applicable, last shown on the books and records of the SPV or set out in such Defaulting Obligor's Notice of Dispute, if one has been filed.
- 85. Any such service and delivery shall be deemed to have been received:

- (a) if sent by ordinary mail or registered mail, on the third (3<sup>rd</sup>) Business Day after mailing within Ontario, the fifth Business Day after mailing within Canada (other than within Ontario), and the tenth (10<sup>th</sup>) Business Day after mailing internationally;
- (b) if sent by courier or personal delivery, on the next Business Day following dispatch; and
- (c) if delivered by email by 5:00 p.m. on a Business Day, on such Business Day, and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

86. The Collection Plan Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*.

#### **F. The Receiver's Powers under the Collection Plan Order**

87. Among other powers, the Collection Plan Order proposes that the Receiver:
- (a) will have the protections afforded to it by the BIA, the *Courts of Justice Act*, the Collection Plan Order, the Amended and Restated Appointment Order, and any other orders of the Court in the Receivership Proceedings or the CCAA Proceedings, or as an officer of the Court, including the stay of proceedings in its favour provided pursuant to the Amended and Restated Appointment Order;
  - (b) will incur no liability or obligation as a result of carrying out the provisions of the Collection Plan Order, including in respect of its exercise of discretion as to the completion, execution or time of delivery of any documents to be delivered thereunder, other than in respect of gross negligence or wilful misconduct;
  - (c) will be entitled to rely on the books and records of the SPV and any information provided by or on behalf of the SPV or otherwise obtained by the Receiver, all without independent inquiry or investigation;
  - (d) will not be liable for any claims or damages resulting from any errors or omissions in such books, records or information, or in any information provided by any Defaulting Obligor;
  - (e) will be authorized and empowered to assist any Defaulting Obligor in the filing of a Notice of Dispute; and

- (f) may seek such assistance as may be reasonably required to carry out its duties and obligations pursuant to the Collection Plan Order from any of the Pride Entities or the Monitor, including making such inquiries and obtaining such records and information as it deems appropriate in connection with the Collection Plan, provided that the Receiver compensates the Pride Entities and the Monitor for any reasonable fees and expenses (including, but not limited to, the reasonable fees and expenses incurred by their agents, representatives, counsel and advisors) in assisting the Receiver; and
- (g) will have the authority to exercise the SPV's right to enforce judgment against a Defaulting Obligor.

88. These powers are necessary to enable the Receiver to implement the Collection Plan in an orderly, fair and efficient manner.

#### **G. Collection Plan Order is Appropriate in the Circumstances**

89. The proposed Collection Plan has been designed to protect the substantive rights of Defaulting Obligors, including by allowing such Obligors to assert defences and preserving the right to appeal to the Court, while avoiding bringing on potentially hundreds of lease disputes before this Court.

#### **ANCILLARY ORDER**

90. In addition to the Collection Plan Order, the Receiver also seeks this Court's approval of the Ancillary Relief Order granting certain ancillary relief described below.

#### **A. Amendment to Lien and PPSA Claims Discharge Order**

91. The current PPSA and Discharge Order permits the Receiver to discharge liens on Equipment registered pursuant to the PPSA and RSLA subject to paying to the Lien Trust Account, as security, an amount equal to the lesser of: (i) 105% of the amount of the RSLA or PPSA claim, as applicable, and (ii) the entire proceeds of sale of the applicable Equipment. Under the terms of the current order, no amounts paid as security will be released from the Lien Trust Account until the claims are reviewed, assessed, and finally determined, on notice to the relevant claimants.

92. The Lien and PPSA Claims Discharge Order is intended to capture all claims pursuant to the RSLA or evidenced by registrations on or under a personal property security registration system. There are various lien claims which do not arise under the PPSA but which may be evidenced by registrations on or under a personal property security registration system in Canada, including worker's compensation board claims and sheriff's writs. The two discrete changes to the Lien and PPSA Claims Discharge Order contemplated by the proposed Ancillary Relief Order are intended to clarify the scope of the Lien and PPSA Claims Discharge Order and are set out below:

“**PPSA Claim**” means any claim, lien, charge, hypothec, security interest or other property right evidenced by registrations on or under a personal property security registration system in any Province or Territory of Canada, whether pursuant to the PPSA Legislation or otherwise, other than a Lien Claim

6. **THIS COURT ORDERS** that, immediately upon the Discharge of any Lien Claim and/or PPSA Claim in accordance with paragraph 5 hereof, all right, title and interest of the affected Lien Claimant and/or PPSA Claimant against the applicable Vehicle, if any, shall attach to the corresponding Security, with the same nature, priority and entitlement that such Lien Claimant’s and/or PPSA Claimant’s interests attached to the Vehicle pursuant to applicable Lien Legislation, applicable PPSA Legislation and/or other applicable legislation.

93. The Receiver respectfully requests that the Lien and PPSA Claims Discharge Order be amended in the manner proposed. All other terms of the Lien and PPSA Claims Discharge Order would remain the same (subject to the right of the Receiver to make the Distributions, described below).

#### **B. Order Compelling Insurers to Issue Cheques Solely to TLCC**

94. Pursuant to the terms of the leases, Obligors are required to obtain and maintain insurance against loss or damage to the Equipment in such amount satisfactory to TLCC as lessor for the duration of term of the lease and any renewal period. The leases – each of which follow a standard form – require that TLCC be named as additional insured and loss payee. In addition, pursuant to their respective lease agreements, Obligors are required to appoint TLCC as the Obligor’s attorney-in-fact to request insurance coverages, make claims, receive payments and execute and endorse all documents, cheques, drafts or other instruments necessary to secure payments due under the insurance policy.<sup>1</sup>
95. The Obligor bears the full risk of loss associated with the Equipment. Should the Equipment be damaged or destroyed, the Obligor has the option to: (i) repair the Equipment; (ii) replace the Equipment with like equipment in good working order and with clear title to the equipment in the SPV, or (iii) pay the SPV the “Stipulated Loss Value” of such Purchased Asset<sup>2</sup>.

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<sup>1</sup> Pursuant to section 9 of the standard lease agreement.

<sup>2</sup> Pursuant to section 10 of the standard lease agreement.

96. The lease defines “Stipulated Loss Value” as an amount equal to: (i) the value of all the remaining lease payments payable to the expiration of the term of the lease; plus (ii) TLCC’s estimated residual value of the Equipment. If the lessor determines that there is a total loss of the value of the Equipment, the Obligor shall pay to the lessor the Stipulated Loss Value less any insurance proceeds received by the lessor.<sup>3</sup>
97. During the course of these Receivership Proceedings, certain insurers have issued cheques representing insurance loss proceeds payable in the name of both TLCC and the Obligor. In most cases there are two payees on the cheque, however, in certain instances there have been three payees listed. To date, the Receiver has been unable to deposit cheques made payable to multiple payees due to financial institutions refusing to accept cheques made payable to multiple payees.
98. Where insurance loss proceeds cheques have been issued to multiple payees, the Receiver has reached out to the insurer and requested that the cheque be reissued and made payable solely to TLCC or the Receiver, with assurances that if there is equity in excess of the Stipulated Loss Value, the Receiver will pay the excess to the Obligor. Most of the insurers contacted by the Receiver have agreed to reissue cheques solely in TLCC’s name or have agreed to issue two cheques, one to the SPV up to the Stipulated Loss Value and the balance, or the equity, to the Obligor. However, a small number of insurers, including Insurance Corporation of British Columbia (“**ICBC**”), have to date refused to reissue cheques solely in the name of the TLCC or to issue multiple cheques, notwithstanding the assurances given to them by the Receiver that any amounts above the Stipulated Loss Value would be paid to the Obligor.
99. With respect to ICBC, the Receiver’s counsel wrote to ICBC on August 22, 2025 and requested that ICBC accommodate the Receiver’s request to issue cheques representing insurance loss proceeds in the name of TLCC. On September 15, 2025, ICBC responded to the Receiver’s counsel reiterating their refusal to issue cheques solely in TLCC’s name and advising that they will not engage any further with the Receiver in this regard and that they will only respond to a court order (the “**ICBC Email**”). A copy of the ICBC Email is attached hereto as **Appendix “I”**.

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<sup>3</sup> Pursuant to section 10 of the standard lease agreement.

100. The Stipulated Loss Value - which is the basis for calculating the equity, if any, in the Equipment that is payable to an Obligor – is calculated by Vervent. During the Receivership Proceedings, various Obligors have disagreed with Vervent’s calculation of the Stipulated Loss Value. This has resulted in some instances in insurers refusing to issue insurance loss cheques until there is a resolution between the Receiver and the Obligor regarding the Stipulated Loss Value. In most circumstances, the Obligor is unable to substantiate their claim that the calculation of the Stipulated Loss Value is incorrect. Attached hereto as **Appendix “J”** is an email from Roxane Weenk of Saskatoon Government Insurance (“**SGI**”) dated November 19, 2025 in which SGI has refused to issue any payment of insurance proceeds until an agreement is reached between the Receiver and the Obligor regarding the Stipulated Loss Value.
101. As a result of these issues, the Receiver is seeking an Order requiring ICBC, SGI, and all other insurers of the Receivership Property, upon receiving a request by the Receiver, if there is a claim payout in respect of the Receivership Property to two or more payees and one such payee is TLCC, to issue a cheque payable solely to TLCC. The Receiver will pay the equity, if any, to the Obligor.

**C. Order Requiring the Pride Entities to Deliver Credit and Other Documents associated with the Lease Portfolio to the Receiver**

102. Under the Turn-Over Order granted by the CCAA Court in the Pride CCAA Proceedings, the Monitor was required to provide Vervent, as Replacement Servicer, all necessary information to facilitate the transitioning of the servicing obligations from TLCC to Vervent. The Receiver has recently become aware that certain critical documents pertaining to the Lease Portfolio were not provided to Vervent (despite Vervent specifically requesting this information at the time of transition); in particular, the complete credit files associated with each of the SPV’s leases, which contain, among other things, personal information of Obligors and guarantors and indemnitors, (the “**Credit Files**”). In addition, the Receiver now understands that litigation information with respect to each of the SPV’s leases was not transitioned to Vervent (the “**Litigation Files**”).

103. The Receiver further understands that the Monitor recently held demonstration sessions with certain other Securitization Parties and/or Recourse Lenders on how to navigate and obtain information from the TPine SharePoint Site which, among other things, hosts the Credit Files. It is unknown to the Receiver at this time where the Litigation Files are hosted. The Receiver was not invited to attend these demonstration sessions. Upon becoming aware that such demonstrations had occurred, the Receiver contacted the Monitor and requested its own demonstration of the TPine SharePoint Site, which occurred on November 17, 2025 (the “**Demo Call**”). During the Demo Call, the Monitor advised the Receiver that the Monitor could extract the Credit Files and other relevant documents from the SharePoint Site and provide it to the Receiver on an external disk drive at the Receiver’s cost. The Monitor advised the extraction would take a few hours to perform and that they would provide the Receiver an estimate of the costs.
104. Subsequent to the Demo Call, the Receiver followed up with the Monitor via email to collect the Credit Files. The Monitor did not respond to the Receiver’s emails. A copy of the email is attached hereto as **Appendix “K”**.
105. On November 25, 2025, the Receiver’s counsel wrote to both Monitor’s counsel and the Pride Entities’ counsel requesting that the Credit Files, the Litigation Files and all other documents relating to the Lease Portfolio be provided to the Receiver.
106. On December 10, 2025, the CCAA Applicants’ counsel responded to the Receiver’s counsel, copying the Monitor, confirming that the data related to the Credit Files was not provided to Vervent upon the turnover of servicing responsibilities to Vervent (the “**December 10 Letter**”). The December 10 Letter further stated that the: *“extraction of such information from SharePoint relating to the relevant leases would require significant effort which is estimated at approximately 14 cumulative days given the volume of information. The Pride Entities have no funding to undertake such a task. If the Receiver requires such information, the Pride Entities will work with the Monitor to provide an estimate of the costs and timing of same”*. In the Receiver’s view, such response contradicts the information communicated by the Monitor to the Receiver during the Demo Call. The December 10 Letter also indicated that the Litigation Files were being gathered and would be shared. The Receiver, through its counsel, responded to the CCAA Applicants and the Monitor on December 23, 2025. Copies of the exchange of correspondence between the Receiver’s counsel and the CCAA Applicants and the Monitor is attached hereto as **Appendix “L”**. The Receiver currently remains in discussions with the CCAA Applicants and the Monitor in connection with the above.

107. The Receiver understands that TLCC is in the process of winding down its operations. The Receiver and Vervent will be dealing with the Lease Portfolio for up to five years thereafter. In the period after the Wind-Down Plan is complete, TLCC employees and executives will no longer be available to assist with supporting the management of the ongoing portfolio of leases. The Receiver requests an Order directing the Monitor or the Pride Entities to provide access to the Receiver of all Credit Files and Litigation Files by no later than January 27, 2026. The Receiver is prepared to pay the reasonable fees and expenses of the Pride Entities and/or the Monitor in connection with delivering this information, provided such fees and expenses are approved by the Receiver in advance in writing. In the event that the Receiver disputes the fees and expenses quoted to deliver this information, the Receiver would refer the dispute to Court for determination.

#### D. Receiver's Reserve

108. The Receiver estimates it requires a reserve in the amount of \$26,630,200 (the "Reserve") to be pay priority payables, potential MCV/MCL settlements, lien settlements, and for future administration costs. The Reserve is calculated as set out in the table below.

<b>Estimated Reserve and Interim Disbursement to RBC</b>	
HST collected from lease payments and buyouts	\$ 7,037,042
MCV payments collected	5,822,164
MCL payments - pre-receivership	1,144,209
MCL payments - post receivership	1,824,708
Collections account	3,902,021
Lien trust reserve	2,732,451
Lien reserve @17.5% of sale proceeds	4,167,606
Trust reserve	26,630,200
Total funds on hand	36,972,109
<b>Estimate excess funds</b>	<b>10,341,909</b>
<b>Suggested Interim Distribution</b>	<b>10,000,000</b>

#### E. Distributions to the FSA

109. The Receiver is seeking approval to make one or more distributions to the FSA from the proceeds of the Receivership Property up to the aggregate amount of the Outstanding FSA Indebtedness, which includes, without limitation, the principal amount of the FSA's outstanding indebtedness plus professional enforcement costs plus the applicable per diem interest up to the date of payment to the FSA.

110. As at December 29, 2025, the total amount owing to the FSA under the Receiver's Borrowing Charge (as defined in the Receivership Order) is \$700,000 and the Securitization Facility is approximately \$209,256,885.45 (collectively, the "**Outstanding FSA Indebtedness**").
111. If the Court grants such approval, the Receiver intends to make the Interim Distribution in the amount of \$10,000,000. Thereafter, if the Receiver is holding funds that exceed any reserves that it considers appropriate, including the Reserve described above, the Receiver, as it considers appropriate, may make one or more additional Distributions to the FSA from such funds, up to the aggregate amount of the Outstanding FSA Indebtedness.
112. The Receiver will maintain reserves as the Receiver considers appropriate from any Distributions to ensure that there will be sufficient funds to satisfy payments for HST, PST, MCV/MCLs, and the costs of administration of these Receivership Proceedings. As presented in the Interim R&D, the Reserve is sufficient to satisfy these amounts upon making the Initial Distribution. Thereafter, on a monthly basis, it is expected that additional proceeds from the Receivership Property, including funds from Obligor lease payments, buyouts and insurance proceeds, will continue to be received by the Receiver and be available for Distribution, subject to such reserves as the Receiver considers appropriate, including in connection with making future priority, trust and critical payments should the Reserve be insufficient.
113. The Receiver's legal counsel has conducted a review of the security granted by the SPV to the FSA in respect of the TPine Securitization Program and has confirmed to the Receiver that, subject to standard restrictions, qualifications and assumptions customary in rendering security opinions of this nature, such security constitutes valid and enforceable security perfected by registration in the Province of Ontario.
114. Pursuant to the Lien and PPSA Claims Discharge Order, the Receiver is required to post security in the Lien Trust Account with respect to each PPSA Claim and Lien Claim that it has discharged from Equipment in accordance with the terms of the Lien and PPSA Claims Discharge Order, in an amount equal to the lesser of (i) 105% of the amount of the PPSA Claim or Lien Claim, as applicable, and (ii) the entire net proceeds of sale of the applicable Equipment. Where the exact amount of the RSLA or PPSA Claim is not disclosed on the registration or otherwise self-evident, the Receiver has been posting the entire net proceeds of sale of the applicable Equipment as security in the Lien Trust Account. As a result, the Receiver believes that the current amount in the Lien Trust Account is likely to greatly exceed the quantum of the corresponding PPSA Claims and Lien Claims ultimately determined to be valid.

115. As at December 24, 2025, the Receiver held \$36,972,109 in its trust accounts. Of that amount \$2,732,451 is held in the Lien Trust Account in accordance with the Lien and PPSA Claims Discharge Order. If the Court grants the Ancillary Relief Order, the Receiver intends to make the Initial Distribution to the FSA, none of which will be funded from the Lien Trust Account.
116. To minimize the risk that any stakeholder of the SPV may suffer prejudice as a result of the Initial Distribution, or any subsequent Distributions, the Receiver has entered into the Reimbursement Agreement with the FSA pursuant to which, among other things, the FSA has agreed to return any Distributions to the Receiver if required, as determined by the Receiver, (i) to satisfy any deficit relating to the valid PPSA Claims or Lien Claims, or (ii) on such other grounds as may be approved by the Court. As part of the Ancillary Order, the Receiver is seeking the Court's approval and authorization for the Receiver to enter into and execute the Reimbursement Agreement, a copy of which is attached hereto as **Appendix "M"**.
117. Payment of the proposed Initial Distribution on account of the FSA's secured claim will reduce the amount of interest, which is accruing thereon, which will be of benefit to all economic stakeholders.
118. Except for HST and provincial sales taxes due to CRA and various provincial authorities, PPSA Claimants and Lien Claimants (each as defined in the Lien and PPSA Claims Discharge Order), the SPV has no other material secured creditors.
119. Accordingly, the Receiver seeks court approval to make the Initial Distribution, and any subsequent Distributions, to the FSA.

#### **F. Approval of Professional Fees and Receiver's Receipts and Disbursements**

120. Pursuant to the Amended and Restated Appointment Order, the Receiver has provided services and incurred disbursements in connection with these Receivership Proceedings that are more particularly described in the Affidavit of Josie Parisi, sworn January 5, 2026 and detailed invoices attached hereto as **Appendix "N"**.
121. The detailed time descriptions contained in the invoice provide a fair and accurate description of the services provided and the amounts charged by BDO as Receiver. Included with the invoice is a summary of the time charges of partners and staff, whose services are reflected in the invoice, including the total fees and hours billed.
122. BDO requests that the Court approve its accounts for the period from September 24, 2024 to November 30, 2025 in the amount of \$2,098,268.48 for fees and disbursements, plus HST of \$272,839.93, for a total of \$2,371,608.41.

123. Osler's fees and disbursements for the period of September 24, 2024 to November 30, 2025 were \$1,728,334.50 plus disbursements of \$70,459.70 and HST of \$233,841.70 for an aggregate amount of \$2,032,635.90 as set out in the affidavit of Tracy Sandler sworn January 5, 2026, a copy of which is attached hereto as **Appendix "O"**.
124. The Receiver respectfully submits that the fees and disbursements incurred by the Receiver and its legal counsel are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Amended and Restated Appointment Order.


#### **SUMMARY AND RECOMMENDATIONS**

125. Based on the foregoing, the Receiver respectfully requests that the Court grant the relief detailed herein.

All of which is respectfully submitted this 6<sup>th</sup> day of January, 2026.

**BDO CANADA LIMITED, solely in its capacity as Receiver of the Property and in no other capacity**

Per:

  
\_\_\_\_\_  
Name: Josie Parisi, CPA, CA, CBV, CIRP, LIT  
Title: Senior Vice President

ROYAL BANK OF CANADA, in its capacity as  
Financial Services Agent

TPINE CANADA SECURITIZATION LP and Court File No.: CV-24-00728055-00CL  
- and - TPINE CANADA GP INC.

Applicant

Respondents

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS  
AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990 c. C. 43, AS AMENDED

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**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
PROCEEDING COMMENCED AT TORONTO

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**SECOND REPORT OF BDO CANADA LIMITED, IN ITS CAPACITY  
AS COURT-APPOINTED RECEIVER**

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Lawyers for BDO Canada Limited in its capacity as Court-Appointed  
Receiver