

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

BANK OF MONTREAL

Applicant

- and -

TRUE NORTH FREIGHT SOLUTIONS INC. and NORTH SHORE LOGISTICS INC.

Respondents

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

June 11, 2024

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INTRODUCTION AND PURPOSE OF THIS REPORT

Introduction

1. On April 12, 2024, BDO Canada Limited ("**BDO**") was appointed as interim receiver (in such capacity, the "**Interim Receiver**") of True North Freight Solutions Inc. ("**True North**"), North Shore Logistics Inc. ("**North Shore**") and 1000088317 Ontario Inc. ("**8317**" and together with True North and North Shore, the "**IR Parties**") pursuant to an order (the "**IR Order**") of the Honourable Madam Justice Steele of the Ontario Superior Court of Justice (Commercial Court) (the "**Court**"). A copy of the IR Order and Her Honour's Endorsement is attached hereto as **Appendix "A"**.
2. Pursuant to bankruptcy orders issued by the Ontario Superior Court of Justice, in Bankruptcy and Insolvency on May 6, 2024 (the "**Bankruptcy Orders**"), True North and North Shore (the "**Debtors**") were adjudged bankrupt and BDO was appointed as Licensed Insolvency Trustee in Bankruptcy (in such capacity, the "**Trustee**"). Copies of the Bankruptcy Orders are attached hereto as **Appendix "B"** and "**C**".
3. On May 10, 2024, BDO, in its capacity as Interim Receiver, issued its report (the "**Pre-Filing Report**") which set out, among other things, the circumstances leading to BDO's appointment as Interim Receiver and Trustee of the Debtors and BDO's initial findings on the Debtors' financial position. A copy of the Pre-Filing Report without appendices is attached hereto as **Appendix "D"**.
4. On May 16, 2024, pursuant to an application made by the Bank of Montreal ("**BMO**"), BDO was appointed as receiver (in such capacity, the "**Receiver**"), without security, over all of the assets, undertakings and property of the Debtors, pursuant to an order of the Honourable Mr. Justice Osborne (the "**Receivership Order**"). A copy of the Receivership Order is attached hereto as **Appendix "E"**.

Background

5. The Debtors carried on business as logistics delivery companies and operated a fleet of freight trucks and trailers (collectively, the "**Vehicles**") that serviced customers in the United States and Canada. The Debtors carried on business from the property municipally known as 11553 Tenth Line, Halton Hills, Ontario (the "**Real Property**").
6. 8317 is the registered owner of the Real Property.
7. On May 21, 2024, MNP Ltd. ("**MNP**") was appointed as receiver over the property, assets and undertakings of 8317, including the Real Property, on an application by Business Development Bank of Canada ("**BDC**"), which holds a first charge against the Real Property.

8. Before they ceased carrying on business, the Debtors employed approximately 190 employees, approximately 150 of whom were truck drivers. Most of the truck drivers were incorporated subcontractors.
9. Based upon the Debtors' Corporate Profile Reports, BDO understands that Mrs. Manpreet Bal ("**Bal**") and Mr. Harvinder Randhawa ("**Randhawa**") are the sole directors and officers of the Debtors.
10. The Debtors collectively owned or financed over 445 Vehicles. Based on BDO's review of the Debtors books and records and *Personal Property Security Act* (Ontario) ("**PPSA**") searches with respect to each of the Debtors, the Vehicles appear to be encumbered by a wide range of creditors, including numerous equipment finance companies.

Purpose

11. This first report of the Receiver is prepared and filed in support of the Receiver's request that the Court make the following orders:
 - (a) an order:
 - (i) validating service of this Report and the Receiver's Notice of Motion;
 - (ii) approving this report, the Pre-Filing Report and the actions and activities of the Receiver described herein;
 - (iii) transferring title in and to the assets listed at **Appendix "F"** hereto from 7927959 Canada Corp. ("**7959**") to True North and authorizing the Receiver to sell these assets at the Auction (as defined below); and
 - (iv) ordering Talka Credit Union ("**Talka**") to provide the information requested by the Receiver as particularized in paragraph 56 of this Report and to return the funds belonging to True North improperly deposited in Talka's member(s) account(s); and
 - (b) an approval and vesting order:
 - (i) approving the liquidation services agreement between Ritchie Bros. Auctioneers (Canada) Ltd. ("**Ritchie Bros**") and the Receiver, substantially in the form attached as **Appendix "G"** to this Report (the "**Auction Agreement**");
 - (ii) vesting the Equipment, as defined in the Auction Agreement in the corresponding purchasers at the auction, free and clear of encumbrances, upon delivery to them of the applicable bill of sale (the "**Transfer Instrument**").

Disclaimer

12. BDO has relied upon the unaudited financial records and unaudited financial statements of the Debtors as well as other information supplied by management, accountants, auditors and financial advisors to the Debtors. Our procedures and enquiries did not constitute an audit or review engagement. BDO assumes no responsibility or liability for loss or damage occasioned by any party as a result of the circulation, publication, re-production or use of this Report. Any use which any party, other than the Court, makes of this Report or any reliance on or a decision made based upon it is the responsibility of such party.
13. Unless otherwise stated, all monetary amounts contained in this Report are expressed in Canadian dollars.

ACTIVITIES OF THE RECEIVER

14. Since its appointment, the Receiver has:
 - (a) inventoried the Vehicles located at the Real Property;
 - (b) conducted investigation of the Missing Equipment (as defined below);
 - (c) wrote to all equipment financiers who had PPSA registrations and requested each to provide their loan and security documents;
 - (d) held discussions with various former employees and creditors who have inquired about the status of payments owed to them and the whereabouts of missing vehicles;
 - (e) held discussions with Randhawa to understand the location of the books, records, bank accounts and the Missing Equipment;
 - (f) unsuccessfully attempted to contact Parmijit Bal (Bal's spouse and principal of the Debtors) and Bal several times;
 - (g) held discussions with various financial institutions believed to have banking relationships with the Debtors and/or their principals;
 - (h) made receivable collection calls to customers;
 - (i) investigated diverted customer payments;
 - (j) retained the services of a former employee to assist with issuing invoices for unbilled amounts and to make collection calls;

- (k) obtained access to the Omnitracs fleet management software to assist with locating the Missing Equipment;
- (l) held discussions with Canada Revenue Agency and requested they conduct source deductions and HST trust audits;
- (m) compiled the information necessary to administer the claims of former employees pursuant to the *Wage Earner Protection Program Act* (Canada);
- (n) compiled the information necessary to prepare records of employment for the former employees;
- (o) retained the services of the Debtors' former financial consultant to assist with the preparation of T4s;
- (p) commenced reviewing the working papers provided to the Receiver by the previous external accounting firms;
- (q) assisted counsel with security reviews;
- (r) corresponded with various equipment financiers regarding their proofs of claim;
- (s) issued the statutory notices required by section 245 of the *Bankruptcy and Insolvency Act* ("**BIA**"); and
- (t) prepared this report.

LEASED PREMISES

15. On May 22, 2024, MNP, in its capacity as receiver of 8317, wrote to the Receiver and provided a purported lease agreement between True North and 8317. MNP advised that the lease provides for monthly rent of \$150,000 plus HST, and that True North is responsible for property taxes, security, maintenance, utilities, and insurance at the Real Property (the "**Monthly Occupancy Costs**"). A copy of MNP's email is attached hereto as **Appendix "H"**.
16. MNP in its capacity as receiver of 8317 takes the position that BDO in its capacity as Trustee has occupied the Real Property and is required to pay the Monthly Occupancy Costs for the Real Property from May 6, 2024 until the lease is disclaimed.

17. BDO, in its capacity as trustee, does not agree that it is in occupation of the Real Property or liable for payment of the Monthly Occupancy Costs. BDO has reviewed the books and records of the Debtors and notes that while True North made certain rent payments to 8317, these payments were made sporadically and are far smaller than the Monthly Occupancy Costs purportedly owing under the lease agreement provided by MNP. BDO will need to conduct an investigation to determine if the lease agreement is valid and enforceable as against BDO as Trustee or Receiver.
18. As at the date of BDO's appointment as trustee, there were approximately 200 Vehicles on the Real Property. The Receiver is working to move all of the Vehicles off the Real Property and expects that this process will be completed shortly.

SECURITY REVIEW

19. BMO was the senior secured creditor of the Debtors. Pursuant to a credit agreement dated January 13, 2022, BMO provided True North: i) a \$13.0 million demand revolving line of credit; ii) two non-revolving term facilities totaling \$7.5 million; iii) a \$1 million treasury risk line; and iv) corporate credit cards with limits totaling \$300,000 (collectively the "**Loans**"). In addition, BMO entered into certain equipment leases with True North and North Shore between February 10, 2021 and September 20, 2021.
20. The Loans are secured by, among other things, general security agreements in favour of BMO granted by True North, North Shore and 8317, and a mortgage against the Real Property.
21. BDO understands that the proceeds from BMO's loans were used, in part, to repay the amounts owing by the Debtors' to Royal Bank of Canada ("**RBC**"). BDO understands that the Debtors continue to be indebted to RBC for amounts owing under a corporate credit card and for certain leases (as described below). RBC registered a security interest against all property, assets and undertakings of North Shore, which registration continues to be in effect.
22. Since the appointment of BDO as Trustee, BDO has corresponded with all of the parties who have a registered a security interest against the Debtors' assets and has invited them to submit a proof of claim. BDO has also worked with its legal counsel to review the proofs of claim filed. Summaries of the PPSA search results generated by Oncorp with respect to each of the Debtors are collectively attached hereto as **Appendix "I"**. A summary of the security review and the Receiver's action items with respect to the Secured Claims is enclosed with this Report as **Schedule "A"**.
23. The following parties have registered a security interest against certain Vehicles that remain in the Receiver's possession but have not filed proofs of claims with BDO, despite being asked by BDO to do so:
 - (a) Wells Fargo Equipment Finance Company;

- (b) Popular Tire Sales & Services Inc., in respect of a claim under the *Repair Storage and Liens Act* (Ontario) (the “**RSLA**”);
 - (c) New Millenium Tire Centre in respect of claims under the RSLA; and
 - (d) BVD Equipment Finance Inc.
24. Shortly in advance of serving this Report, counsel for the Receiver obtained an updated PPSA search with respect to the Debtors which disclosed additional RSLA registrations.
25. Counsel for the Receiver sent or will send letters to creditors who registered a security interest against the Debtors’ assets but have not filed proofs of claims advising that the Receiver will be bringing its motion for an order, among other things, authorizing them to sell the Debtors’ assets at the Auction (as defined below) and inviting them to file Proofs of Claims in advance of the Auction.

MISSING EQUIPMENT AND VEHICLE STORAGE

26. Following its appointment as Interim Receiver, BDO learned that approximately 175 trucks and trailers were missing (the “**Missing Equipment**”). Following the issuance of the Bankruptcy Orders, BDO has worked to locate and recover the Missing Equipment. Bal and Randhawa have not cooperated with the Receiver by either providing the location of the Missing Equipment or providing names of former employees who may be able to assist.
27. On May 6, 2024, BDO became aware of a bill of sale dated March 14, 2024 (the “**Bill of Sale**”), between True North and 7959. The Bill of Sale contemplates the sale of 60 of True North’s trucks and trailers for nominal consideration (the “**Transferred Vehicles**”). Through investigations, BDO learned that 17 of the Sold Vehicles were located at the property of a liquidator and were sold in May 2024 the (“**May 2024 Vehicle Sale**”) by Ritchie Bros. at an auction. Pursuant to the Receivership Order, the proceeds of the May 2024 Vehicle Sale are to be paid by Ritchie Bros. to the Receiver.
28. The Receiver engaged in discussions with the principal of 7959. The Receiver was advised that the Transferred Vehicles were provided as a repayment of the loan allegedly advanced by Armour Insurance Brokers Ltd. (“**Armour**”) to the Debtors. The principal of Armour and 7959 (who are one and the same) have agreed that:
- (a) the proceeds of the May 2024 Vehicle Sale will be released by Ritchie Bros. to the Receiver;
 - (b) title to the balance of the Transferred Vehicles, to the extent they can be located, can be transferred back to True North and these vehicles can sold by the Receiver; and

- (c) if 7959 or Armour wish to advance a claim to the proceeds from the sale of the Transferred Vehicles, they can file a proof of claim with the Receiver.

- 29. The Receiver identified in its possession 40 Transferred Vehicles (the “**Located Sold Vehicles**”). To enable the Receiver to sell the Located Sold Vehicles, the Receiver seeks an order of the Court transferring title of the Located Sold Vehicles back to True North.

- 30. On May 23, 2024, Armour discharged its PPSA registrations against the Sold Vehicles.

- 31. In addition to the 17 vehicles sold by Ritchie Bros. at the request of 7959, the following Missing Equipment has been located as of the date of this Report:
 - (a) five trucks and 15 trailers were located at offsite locations under the control of 7959 in Brampton and Milton, Ontario;
 - (b) three trailers were located in Mississauga, Ontario;
 - (c) one trailer was located in Quebec;
 - (d) three trailers were located in Arizona, USA;
 - (e) two trailers were located in Indiana, USA; and
 - (f) five trailers were located in Illinois, USA.

- 32. Due the nature of Vehicles (transport trucks requiring specific licenses), the Receiver required the assistance of individuals licensed to operate or capable of otherwise transporting the Vehicles to a secure location. The Receiver could not engage the former employees to assist with the relocation as the Debtors’ insurance had been cancelled and the Receiver has recently secured applicable property insurance.

- 33. The Receiver held discussions with Ritchie Bros. to assist with relocating and securing the Vehicles. Ritchie Bros. advised that it could immediately assist and that it had a secure facility where the Vehicles could be stored. In addition, Ritchie Bros. advised that storage fees would not be charged should the assets be sold by them. Further Ritchie Bros. quoted a fee of less than \$500 per truck/trailer to retrieve and relocate the vehicles.

34. The Receiver held discussion with other liquidators, who indicated that while they had availability to assist with the repossession and/or sale of the Vehicles, they would: (i) only deliver the Vehicles to the Real Property because they did not have a yard; (ii) use storage facilities which would have to be procured; or (iii) deliver the Vehicles to their location which was not secured (i.e. vacant land with no fencing, buildings or personnel) at a cost to the Receiver.
35. Certain former drivers of the Debtors had requested to drop off Vehicles at the Real Property. The cost of attending at the Real Property each time a Vehicle was to be delivered would make it cost prohibitive for either the Receiver or one of its agents to attend the site. As a result, the Receiver has made arrangements for parties to deliver Vehicles to one of Ritchie Bros. secure facilities.

MACROTECH SALE

36. The Receiver learned on May 17, 2024 that on November 15, 2023, True North sold 28 vehicles (the “**Macrotech Vehicles**”) to Macrotech Business Solutions Inc. (“**Macrotech**”) for a total purchase price of \$500,000. A copy of the Bill of Sale between True North and Macrotech is attached hereto as **Appendix “J”**.
37. The Receiver has confirmed that payment of \$500,000 was made by Macrotech to True North pursuant to the Bill of Sale and that the purchase price paid was consistent with the market value of these Vehicles.
38. A number of the vehicles sold to Macrotech were subsequently immediately leased back to True North through equipment lessors. A number of these equipment lessors have now requested that they be allowed to repossess the vehicles subject to their security. The Receiver is working with these lessors and Macrotech to arrange for pickup. To the extent that there are any unencumbered Macrotech Vehicles remaining in its possession, the Receiver intends to allow Macrotech to repossess these vehicles.

AUCTION AGREEMENT

39. Subject to the approval of this Court, the Receiver and Ritchie Bros. have negotiated an Auction Agreement pursuant to which Ritchie Bros. has agreed to sell the Debtors’ Vehicles at: (i) the auction scheduled to take place on June 26, 2024 in Ontario in respect of Vehicles located in Ontario; (ii) at the auction scheduled to take place on July 10, 2024 in Quebec in respect of Vehicles located in Quebec; and (iii) and at any such future auction as approved by the Receiver (collectively, the “**Auction**”).
40. Pursuant to the Auction Agreement, Ritchie Bros. agreed to:

- (a) retrieve and transport all of the Vehicles to the closest storage facility for a fee of less than \$500 per Vehicle for Vehicles located in Ontario;
- (b) store the Vehicles free of charge pending the Auction; and
- (c) sell the Vehicles at the applicable Auction on a commission only basis pursuant to which Ritchie Bros. will receive a commission of 6.5% on all items sold. For any Vehicle realizing \$3,000 or less, the commission payable will be \$195 per Vehicle.

- 41. The Auction Agreement is conditional on the Receiver obtaining the Court approval of same.
- 42. Receiver is of the view that the terms of the Auction Agreement are fair and reasonable.
- 43. Including the Vehicles that are in the Receiver's possession or control in the Auction will allow the Receiver to quickly monetize on the Debtors' assets and reduce the cost of holding depreciating assets. The Receiver has engaged Ritchie Bros. to move all of the Vehicles located on the Real Property that have not been repossessed to a secured storage facility, together with any additional Vehicles located by the Receiver, in accordance with the cost arrangement set out in paragraph 40 above. The Receiver also retained Ritchie Bros. to move all of the Vehicles located outside of Ontario to their nearest facility.
- 44. The Receiver has held discussions with secured creditors who submitted their security documents to the Receiver to understand whether they wanted to include Vehicles subject to their security in the Auction.
- 45. As at the date of this Report, BMO, the Royal Bank of Canada (formerly HSBC), Meridian Onecap Credit Corp. and Blue Shore Transport Finance have indicated that they would like to include Vehicles subject to their security in the Auction. The Receiver intends to continue to reach out to other secured creditors who the Receiver concerning the inclusion of assets subject to their security interest in the Auction.
- 46. In the event that the Auction Agreement is approved by the Court, a bill of sale, substantially in the form attached hereto as **Appendix "K"**, will be provided by the Ritchie Bros. to buyers in connection with the Auction, and upon delivery of the bill of sale, title to the applicable asset(s) will vest in the ultimate purchaser of the assets listed in the instrument free and clear of all liens and encumbrances.
- 47. The Receiver respectfully recommends that this Court authorize the Receiver to enter into the Auction Agreement and approve the Auction Agreement and the transactions contemplated therein for the following reasons:
 - (a) the commercial terms of the Auction Agreement are reasonable and consistent with industry standards;

- (b) the commission structure provided for in the Agreement is favourable to the Debtors' estates and creditors, particularly when taking into account the fact that Ritchie Bros is also providing storage for the Vehicles free of charge;
- (c) the retrieval costs of the Vehicles are also reasonable and are consistent with industry standards;
- (d) Ritchie Bros.' experience with selling the Debtors' equipment and similar vehicles;
- (e) Ritchie Bros.' location relative to the Real Property, which minimizes the costs associated with transporting the Vehicles;
- (f) the expediency of the upcoming Auctions, allowing the Receiver to quickly monetize these assets; and
- (g) the Receiver is of the view that engaging a different liquidator would only delay the sale of the Vehicles, drive up costs and impair available recoveries.

48. The secured creditors who have the first ranking security interests in the Vehicles currently subject to the Auction Agreement consent to these assets being sold by Ritchie Bros. The Receiver is continuing to work the balance of secured creditors to either include the assets subject to their security in the Auction or to arrange for these creditors to repossess the assets subject to their security. If there is any dispute between the Receiver and such creditors regarding the inclusion of the assets subject to their security in the Auction, the Receiver will return to Court to address same.

FUNDS INTERCEPTED BY THE PRINCIPALS

49. On April 16, 2024, BDO in its capacity as Interim Receiver wrote to Royal Bank of Canada ("**RBC**") and requested that True North and North Shore's bank accounts held at RBC be set to "Deposit Only" to allow for deposits to continue to be made but prohibiting withdrawals from the account.
50. On April 24, 2024, RBC confirmed that the accounts had been set to Deposit Only. On April 26, 2024 RBC advised the Receiver that Randawa attended at RBC and withdrew \$29,801 from the account. Upon further investigation, Randawa confirmed that he withdrew these funds.
51. The Receiver demanded that Randhawa pay these funds to the Receiver. Randhawa has not done so. RBC advised that it will reimburse BDO for the funds improperly withdrawn by Randhawa.

52. The Receiver demanded the return of the improperly withdrawn funds from Randhawa. On May 28, 2024, the Receiver was advised that Randhawa filed a voluntary assignment in bankruptcy. Alan Page with Schwart Levitsky Feldman Inc. was appointed as bankruptcy trustee. The Notice of Bankruptcy dated May 27, 2024 is attached hereto as **Appendix “L”**.
53. Through its investigations, BDO learned that on April 23, 2024, subsequent to the IR Order being issued, the Debtors opened accounts at ICICI Bank. Based upon the Receiver’s discussions with ICICI Bank, the Receiver understands that the Debtors had been depositing customer cheques at ICICI Bank. The Receiver was successful in having ICICI Bank place the account to “Deposit Only” and subsequently received approximately \$51,000 from ICICI Bank.
54. The Receiver is continuing its investigations and will continue to report to the Court.
55. On May 16, 2024, the Receiver became aware that certain of the Debtors’ customer payment cheques were deposited at Talka. The Receiver wrote to Talka and requested the accounts be place to “Deposit Only”. On May 17, 2024, Talka wrote to the Receiver and stated that the Debtors did not have accounts at Talka. The Receiver provided Talka a cancelled cheque drawn at Talka and was advised by Talka that: *“The account is a third-party cash chequing account and does not belong to True North Freight. True North Freight would have engaged the services of our member to provide them with cash. In return, the cheque was processed through our member’s business account”*. A copy of the correspondence between the Receiver and Talka dated May 16 and May 17, 2024 is attached hereto as **Appendix “M”**.
56. The Receiver is aware that two cheques belonging to True North totaling \$55,476.36 were deposited by Talka’s member into its account with Talka. By letters dated May 23, 2024 and May 28, 2024, counsel for the Receiver wrote to Talka and demanded that Talka provide to the Receiver:
- (a) the name and contact information of the member that cashed the cheques belonging to True North which can be identified as follows:
 - (i) Cheque #202098 from Nordan Express Inc. in the amount of \$4,400; and
 - (ii) Cheque #31547 from Cascades Container Board in the amount of \$51,076.36.
 - (b) advise if this member or any other members of Talka have any other business arrangements with the Debtors;
 - (c) advise of any other deposits of True North’s cheques made with Talka and provide the Receiver with all documents evidencing same, including evidence of payments made by Talka’s member(s) to True North or any of its representatives;

- (d) advise on what steps Talka undertook to verify that the person that endorsed the cheques deposited by Talka's member had the requisite authority to do so;
- (e) provide the name and contact information for the recipient of the deposited funds from Talka's member, advise how the payments were made (i.e. via cheque or a bank draft) and provide evidence of same; and
- (f) immediately return any of True North's funds deposited with Talka after the date of bankruptcy.

Copies of these letters are collectively attached hereto as **Appendix "N"**.

57. On May 30, 2024, counsel for the Trustee had a call with counsel for Talka. On this call, Talka's counsel advised that it is prepared to comply with the Receiver's request provided that the Receiver obtains an order of the Court requiring Talka to do so. Accordingly, the Receiver seeks an order of the Court requiring Talka to provide the requested information and return the funds belonging to True North.


SUMMARY AND RECOMMENDATIONS

58. Based on the foregoing, the Receiver respectfully requests that the Court grant an Order:

- (a) Transferring title to the Located Sold Vehicles to True North;
- (b) approving the Auction Agreement;
- (c) issuing a vesting order which will vest title to the ultimate purchaser of the vehicles free and clear of all liens and encumbrances;
- (d) ordering Talka to provide the information requested by the Receiver as particularized in paragraph 56 of this Report and to return the funds belonging to True North improperly deposited in Talka's member's account; and

All of which is respectfully submitted this 11th day of June, 2024

BDO CANADA LIMITED

Per: 

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

SCHEDULE A TO THE FIRST REPORT

Secured Creditor	Nature of Security Claim	Opinion	Action to be undertaken
<p>Mercedes Benz Financial Service Canada Corporation/ Daimler Truck Financial Services Canada Corporation</p>	<p>A purchase money security interest ("PMSI") with respect to 16 Vehicles</p>	<p>PMSIs were validly perfected.</p> <p>Certain of the vehicles subject to this creditor's security have had liens registered against them under the <i>Repair Storage and Lien Act</i> (Ontario) ("RSLA").</p> <p>If the creditor wants to repossess these vehicles, these liens will need to be addressed before the vehicles can be released.</p>	<p>The Receiver is in the process of verifying if there is any equity in these vehicles beyond the amounts owing to this creditor. The Receiver has also been in touch with this creditor to inquire if it wants these vehicles sold at an auction.</p> <p>If the creditor wishes to repossess its vehicles, the Receiver will consider this request once it is able to satisfy itself that there is no equity left in these vehicles.</p>
<p>De Lage Landen Financial Services Canada</p>	<p>PMSIs with respect to 10 Vehicles</p>	<p>PMSIs were validly perfected. No other creditor registered a security interest against these VINs</p>	<p>The Receiver is in the process of verifying if there is any equity in these vehicles beyond the amounts owing to this creditor. The Receiver has also been in touch with this creditor to inquire if it wants these vehicles sold at an auction.</p> <p>If the creditor wishes to repossess its vehicles, the Receiver will consider this request once it is able to satisfy itself that there is no equity left in these vehicles.</p>
<p>TFG Financial Corporation</p>	<p>PMSIs with respect to 10 Vehicles</p>	<p>PMSIs were validly perfected. No other creditor registered a security interest against these VINs</p>	<p>This creditor has made a request to repossess the vehicles subject to their PMSI.</p> <p>The Receiver is in the process of determining if there is any equity in these vehicles beyond what is owing to this creditor.</p>

<p>Bodkin, a division of Bennington Financial Corp. ("Bodkin")</p>	<p>PMSIs with respect to 3 vehicles</p>	<p>The PMSIs were properly perfected.</p> <p>Certain of the vehicles subject to this creditor's security have had liens registered against them under the <i>RSLA</i>. If the creditor wants to repossess these vehicles, these liens will need to be addressed before the vehicles can be released.</p>	<p>The Receiver is in the process of verifying if there is any equity in these vehicles beyond the amounts owing to this creditor. The Receiver has also been in touch with this creditor to inquire if it wants these vehicles sold at an auction.</p> <p>If the creditor wishes to repossess their vehicles, the Receiver will consider this request once it is able to satisfy itself that there is no equity left in these vehicles.</p>
<p>Meridian Onecap Credit Corp. ("Meridian")</p>	<p>PMSIs with respect to 20 vehicles</p>	<p>PMSIs were validly perfected.</p> <p>No other creditor registered a security interest against these VINs</p>	<p>Meridian requested that its vehicles be sold at the Auction (as defined in the Receiver's First Report to the Court)</p>
<p>LBEL Inc.</p>	<p>A PMSI with respect to one vehicle</p>	<p>The PMSI was validly perfected.</p> <p>Certain of the vehicles subject to this creditor's security have had liens registered against them under the <i>RSLA</i>. If the creditor wants to repossess these vehicles, these liens will need to be addressed before the vehicles can be released.</p>	<p>The Receiver is in the process of verifying if there is any equity in this vehicle beyond the amounts owing to this creditor. The Receiver has also been in touch with this creditor to inquire if it wants this vehicle sold at an auction.</p> <p>If the creditor wishes to repossess its vehicles, the Receiver will consider this request once it is able to satisfy itself that there is no equity left in this vehicle.</p>

LBC Capital Inc.	PMSIs with respect to 6 vehicles	<p>PMSIs were validly perfected.</p> <p>Certain of the vehicles subject to this creditor's security have had liens registered against them under the <i>RSLA</i>. If the creditor wants to repossess these vehicles, these liens will need to be addressed before the vehicles can be released.</p>	<p>The Receiver is in the process of verifying if there is any equity in these vehicles beyond the amounts owing to this creditor. The Receiver has also been in touch with this creditor to inquire if it wants these vehicles sold at an auction.</p> <p>If the creditor wishes to repossess its vehicles, the Receiver will consider this request once it is able to satisfy itself that there is no equity left in these vehicles.</p>
BMO	A general security interest against all of the Debtors' properties, together with registrations against certain specific vehicles (the " BMO Vehicles ")	<p>BMO has a first ranking security interest against the BMO Vehicles</p> <p>Certain of the vehicles subject to this creditor's security have had liens registered against them under the <i>RSLA</i>. If the creditor wants to repossess these vehicles, these liens will need to be addressed before the vehicles can be released.</p>	<p>Unless otherwise advised by BMO in advance of the Auction, the BMO Vehicles will be sold by the Receiver at the Auction (as defined in the First Report).</p>

<p>Coast Capital Equipment Finance Ltd. (“Coast”)</p>	<p>PMSIs with respect to 49 vehicles</p>	<p>The Receiver is in possession of 33 vehicles subject to Coast’s security. Of these vehicles, 28 are also subject to a security interest in favour of BVD Capital Corporation (“BVD”) which was registered prior to Coast’s registration. BVD has not yet filed a proof of claim.</p>	<p>The Receiver asked Coast to provide evidence that BVD’s security interest ranks behind Coasts by June 13, 2024. If satisfactory evidence is not received by the Receiver of Coast’s priority in those assets, the Receiver intends to sell those vehicles at the Auction and will invite Coast and BVD to file a proof of claim with respect to the net sale proceeds.</p> <p>The Receiver advised Coast that it can pick up one vehicle subject to its security. The Receiver is in the process of obtaining valuations for the other 4 vehicles that are not subject to BVD’s security in order to satisfy itself if there is equity in those vehicles.</p>
<p>Blue Shore Transport Finance (“Blue Shore”)</p>	<p>PMSIs with respect to 2 vehicles</p>	<p>PMSIs were validly perfected. No other creditor registered a security interest against these VINs</p>	<p>Blue Shore requested that these vehicles are sold at the Auction (as defined in the First Report).</p>
<p>CLE Capital Inc. and Mitsubishi HC Capital Canada Leasing Inc.</p>	<p>PMSIs with respect to 10 vehicles</p>	<p>PMSIs were validly perfected. No other creditor registered a security interest against these VINs</p>	<p>The Receiver is in the process of verifying if there is any equity in these vehicles beyond the amounts owing to this creditor. The Receiver has also been in touch with this creditor to inquire if it wants these vehicles sold at an auction.</p> <p>If the creditor wishes to repossess its vehicles, the Receiver will consider this request once it is able to satisfy itself that there is no equity left in these vehicles.</p>

<p>Toyota Credit Canada Inc.</p>	<p>A PMSI with respect to one vehicle</p>	<p>The PMSI was validly perfected. No other creditor registered a security interest against this VIN</p>	<p>The Receiver is in the process of verifying if there is any equity in this vehicle beyond the amounts owing to this creditor. The Receiver has also been in touch with this creditor to inquire if it wants this vehicle sold at an auction.</p> <p>If the creditor wishes to repossess its vehicle, the Receiver will consider this request once it is able to satisfy itself that there is no equity left in this vehicle.</p>
<p>R&S Trailer Leasing Limited (o/a Breadner Trailers) (“Breadner”)</p>	<p>PMSIs with respect to 42 vehicles</p>	<p>PMSIs were validly perfected.</p> <p>Ten of the vehicles over which Breadner asserted a PMSI had mistakes in the VIN Numbers. The registrations were made against the correct Debtor name. On consultation with BMO, the Receiver did not challenge the PMSIs with respect to those particular vehicles.</p> <p>Certain of the vehicles subject to this creditor’s security have had liens registered against them under the <i>RSLA</i>. If the creditor wants to repossess these vehicles, these liens will need to be addressed before the vehicles can be released.</p>	<p>The Receiver is in the process of verifying if there is any equity in these vehicles beyond the amounts owing to this creditor. The Receiver has also been in touch with this creditor to inquire if it wants these vehicles sold at an auction.</p> <p>If the creditor wishes to repossess its vehicles, the Receiver will consider this request once it is able to satisfy itself that there is no equity left in these vehicles.</p>

<p>Concentra Bank/Concentra a division of Bennington Financial Corp.</p>	<p>A PMSI with respect to one vehicle</p>	<p>The PMSI was validly perfected. No other creditor registered a security interest against this VIN</p>	<p>The Receiver is in the process of verifying if there is any equity in this vehicle beyond the amounts owing to this creditor. The Receiver has also been in touch with this creditor to inquire if it wants this vehicle sold at an auction.</p> <p>If the creditor wishes to repossess its vehicle, the Receiver will consider this request once it is able to satisfy itself that there is no equity left in this vehicle.</p>
<p>CWB National Leasing Inc.</p>	<p>PMSIs with respect to 16 vehicles</p>	<p>The Receiver is in the process of reviewing CWB's security.</p> <p>Certain of the vehicles subject to this creditor's security have had liens registered against them under the <i>RSLA</i>. If the creditor wants to repossess these vehicles, these liens will need to be addressed before the vehicles can be released.</p>	<p>After completing the security review, the Receiver will assess the next steps.</p>
<p>The Bank of Nova Scotia</p>	<p>PMSIs with respect to 4 vehicles</p>	<p>PMSIs were validly perfected. No other creditor registered a security interest against these VINs</p>	<p>The Receiver is in the process of verifying if there is any equity in these vehicles beyond the amounts owing to this creditor.</p>
<p>VFS Canada Inc.</p>	<p>PMSIs with respect to 15 vehicles</p>	<p>PMSIs were validly perfected.</p>	<p>The Receiver is in the process of verifying if there is any equity in this vehicle beyond the amounts owing to this creditor. The Receiver has also been in touch with this creditor to inquire if it wants this vehicle sold at an auction.</p>

		<p>Certain of the vehicles subject to this creditor's security have had liens registered against them under the <i>RSLA</i>. If the creditor wants to repossess these vehicles, these liens will need to be addressed before the vehicles can be released.</p>	<p>If the creditor wishes to repossess its vehicle, the Receiver will consider this request once it is able to satisfy itself that there is no equity left in this vehicle.</p>
<p>HSBC Bank of Canada</p>	<p>PMSIs with respect to 32 vehicles</p>	<p>PMSIs were validly perfected.</p> <p>Certain of the vehicles subject to this creditor's security have had liens registered against them under the <i>RSLA</i>. If the creditor wants to repossess these vehicles, these liens will need to be addressed before the vehicles can be released.</p>	<p>HSBC has requested that its vehicles be included in the Auction.</p>