

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

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

EXPRESS GT PARTS SERVE INC.

Respondent

**APPLICATION UNDER SUBSECTION 243(1) 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**

**AIDE-MÉMOIRE OF ROYAL BANK OF CANADA
(Scheduling Appointment – Monday, June 19, 2023)**

1. Royal Bank of Canada (“**RBC**”) brings this receivership application against Express GT Parts Serve Inc. (“**Express GTPS**”), returnable for scheduling purposes on June 19, 2023. The proposed receiver is msi Spergel inc.
2. The application describes how RBC:
 - (a) is a secured creditor of two purportedly voluntarily dissolved entities, GT Parts Serve Ltd. (“**GTPS**”) and 2696009 Ontario Inc. (“**269**” and, together with GTPS, the “**Borrowers**”);
 - (b) first became aware of the Borrowers’ purported dissolution on or about March 7, 2023;
 - (c) met with management of the Borrowers and a representative of Express GTPS on March 9, 2023, who confirmed to RBC that Express GTPS had taken over the Borrowers’ business and assets despite not repaying amounts owed by the Borrowers to RBC. This included RBC’s collateral, which was transferred without RBC’s knowledge or authorization;

- (d) promptly amended its existing PPSA registrations against the Borrowers to add Express GTPS as an additional debtor;
- (e) promptly demanded and issued notices of intention to enforce security pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) in respect of approximately \$1.0 million¹ that was owing by the Borrowers to RBC as of March 9, 2023, and secured by RBC's collateral, which amount remains unpaid in its entirety, plus accruing interest, costs and legal expenses; and
- (f) received back the notice issued to Express GTPS on the basis that it had moved, notwithstanding that the notice was sent by registered mail to the address listed on Express GTPS' corporate profile report (4 Warwick Way in Brampton). This address is the same as the address on the Borrowers' corporate profile reports for the Borrowers' only registered director (Gurbir Randhawa).

3. RBC's application was issued on June 7, 2023, and was served on Express GTPS' three business locations that same day. The next day, the law firm of Sherman Brown Dryer Gold confirmed that it is acting for Express GTPS and had received instructions to oppose the application.

4. Since serving its application, RBC's counsel has also spoken with counsel for Bank of Montreal ("BMO"). As described in the application, the credit facilities advanced by RBC to one of the Borrowers (GTPS) were supposed to have been used to pay-out BMO. BMO's counsel has advised that BMO was not paid-out either and is also owed approximately \$775,000 by GTPS as of March 27, 2023. RBC understands that BMO anticipates filing materials in support of the receivership application.

5. It is respectfully submitted that anything short of a speedy hearing of this matter will be prejudicial, particularly if there is no accounting or Court-appointed oversight of the collateral in the interim.

¹ Comprised of the respective amounts of \$757,296.07 and \$200,722.49 pursuant to the GTPS Credit Agreement and the 269 Credit Agreement (each as defined in the receivership application), plus, in both cases, accruing interest, costs and legal expenses.

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Court File No. CV-23-00700602-00CL

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Proceedings commenced at Toronto

**AIDE-MÉMOIRE OF ROYAL BANK OF CANADA
(Scheduling Appointment – June 19, 2023)**

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Sanj Mitra (LSO # 37934U)
Tel: (416) 865-3085
Fax: (416) 863-1515
Email: smitra@airdberlis.com

Jeremy Nemers (LSO # 66410Q)
Tel: (416) 865-7724
Fax: (416) 863-1515
Email: jnemers@airdberlis.com

Lawyers for Royal Bank of Canada