

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

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

PEACE BRIDGE DUTY FREE INC.

Respondent

**SUPPLEMENTARY RESPONDING MOTION RECORD OF
EMPLOYEES CINDY BEAM AND KATHLEEN CLEMENTS
(returnable April 8, 2025)**

April 7, 2025

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To: SERVICE LIST

TABLE OF CONTENTS

DESCRIPTION	TAB
Affidavit of Cindy Beam, sworn April 7, 2025	1
Exhibit A: Duty Free Shop License (Fort Erie, Ontario)	A
Exhibit B: Duty Free Shop License (Hamilton, Ontario)	B
Exhibit C: CBSA webpage - Overview of Duty Free Stores	C
Exhibit D: CBSA's Memorandum D4-3-2: Duty Free Shop – Licensing	D
Exhibit E: Financial Post News Article dated April 4, 2025	E
Affidavit of Kathleen Clements, sworn April 7, 2025	2
Affidavit of Abir Shamim, sworn April 7, 2025	3
Exhibit A: Email between David Ullmann (Blaney McMurtry LLP) and Sanjeev Mitra and Christian Delfino (Aird Berlis LLP) dated March 31, 2025	A
Exhibit B: Email between David Ullmann (Blaney McMurtry LLP) and Leanne Williams (TGF), March 31 and April 2, 2025	B

TAB 1

Court File No.: CV-21-00673084-00CL

**ONTARIO
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(COMMERCIAL LIST)**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

PEACE BRIDGE DUTY FREE INC.

Respondent

**SUPPLEMENTARY AFFIDAVIT OF CINDY BEAM
(sworn April 7, 2025)**

I, Cindy Beam, of the City of Niagara Falls, in the Province of Ontario, **MAKE OATH AND SAY:**

1. This Affidavit is sworn supplementary to my Affidavit sworn on March 26, 2025 in this proceeding.
2. Where the facts set out in this Affidavit are based on information provided to me by others, I have set out the source of the information and believe it to be true.
3. I swear this Affidavit to:
 - a) oppose the issuance by the Court of the receivership application brought by the Royal Bank of Canada ("**RBC**"), whose loan is not in default, over Peace Bridge Duty Free Inc. ("**PBDF**"), which I believe will lead to a shutdown of the business and mass termination of employment of all 40 employees in a very difficult job

market and economy. These job losses will cause significant hardship for us and our families; and

- b) in the alternative, if the Court decides to appoint a receiver sought by RBC, it should be limited to accounts and inventory only so that PBDF can continue to operate and employees will not be terminated.

A receiver cannot likely operate PBDF due to the duty free licensing regime

4. PBDF is licenced by the Canada Border Services Agency ("**CBSA**") to operate two duty free shops: one in Fort Erie, Ontario with approximately 40 employees (where I work), and the other in the Hamilton International Airport with approximately 5 employees. Attached as **Exhibit "A"** hereto is a copy of the Duty Free Shop License issued by CBSA for PBDF in respect of a shop located in Fort Erie, Ontario, effective from January 26, 2025 to January 25, 2035.

5. Attached as **Exhibit "B"** hereto is a copy of the Duty Free Shop License issued by CBSA for PBDF in respect of a shop located at the Hamilton International Airport in Hamilton, Ontario, effective from May 1, 2017 to April 30, 2027.

6. PBDF and other duty free shops operate pursuant to a specialized duty and tax exclusion regime. CBSA licenses duty free operators, which sell goods to travellers who are about to leave Canada. Duty free shops are only located at 52 land border and international airport locations across Canada. They sell goods free of certain duty and taxes normally levied on goods sold in Canada.

7. Duty free shops are intended only for customers who are about to leave Canada. Goods purchased at a duty free shop must be immediately exported. Apart from selling duty- and tax-free goods, these shops also provide information on duty free exemption limits for travellers to the United States and for returning residents of Canada.

8. CBSA oversees the licensing of duty free shops for two reasons: to ensure duty-free goods are properly accounted for and exported, and to ensure they comply with government requirements and maintain related regulations and policies. A copy of the CBSA overview of duty free stores is attached as **Exhibit "C"** to my affidavit. [<https://www.cbsa-asfc.gc.ca/import/dfs-bht-eng.html>]

9. The duty free shop licence allows PBDF to acquire goods free of certain duties and taxes (other taxes, such as excise taxes, may be applicable) for sale to travelers who will immediately export the goods from Canada.

10. In order to obtain this licence, I understand that PBDF had to go through a comprehensive application process which disclosed ownership structure, criminal checks, and provincial liquor authorization to sell alcohol.

11. I also understand from reviewing the CBSA regulations that these duty free shop licences are subject to cancellation when a receiver is appointed to control operation of the duty free shop. Specifically, CBSA *may* allow receivers to operate a duty free shop, but only if they meet the requirements of the duty free shop program. Attached as **Exhibit "D"** is a copy of the CBSA's Memorandum D4-3-2: Duty Free Shop – Licensing.

The Canadian job market is poor and worsening for terminated employees

12. I am also aware, by reading articles in media including the Financial Post, that Canada's unemployment rate is increasing, especially in sectors related to cross-border trade, like PBDF's business. Attached as **Exhibit "E"** hereto is a copy of the article, "Canada's unemployment rate rises to 6.7% as economy loses 33,000 jobs", dated April 4, 2025.

13. I swear this Affidavit in good faith and to oppose the receivership application of RBC or in the alternative, in support of the limited appointment of a receiver over the accounts and inventory of PBDF only, and for no improper purpose.

SWORN REMOTELY by Cindy Beam of the City of Niagara Falls, in the Province of Ontario, before me in the City of Toronto, in the Province of Ontario, on April 7, 2025, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for Taking Affidavits, etc.

Abir Shamim
LSO# 88251V



CINDY BEAM

This is **Exhibit "A"**
referred to in the Affidavit of Cindy Beam
sworn before me this 7th day of April, 2025.



A COMMISSIONER FOR TAKING AFFIDAVITS ETC.

Abir Shamim
LSO# 88251V



Licence no. - N° de l'agrément 410 DFL 018	
Effective Period – Période de validité	
From – De 2025.01.26	To – À 2035.01.25

Canada Border Services Agency

Agence des services frontaliers du Canada

DUTY FREE SHOP LICENCE

BOUTIQUE HORS TAXES AGRÉMENT

This is to certify that:

Ceci certifie que:

PEACE BRIDGE DUTY FREE INC.

has been issued a licence pursuant to the *Customs Act* to operate
a duty free shop at:

a obtenu un agrément, conformément à la *Loi sur les
douanes*, pour exploiter une boutique hors taxes à:

FORT ERIE, ONTARIO

this
ce

29

day of
jour de

January

in the year
de l'année

2025

**Manager, Commercial Registration Unit
Gestionnaire, Unité de l'agrément commercial**



Canada Border
Services Agency

Agence des services
frontaliers du Canada

Canada

This is **Exhibit "B"**
referred to in the Affidavit of Cindy Beam
sworn before me this 7th day of April, 2025.



A COMMISSIONER FOR TAKING AFFIDAVITS ETC.

Abir Shamim
LSO# 88251V



Canada Border
Services Agency

191 Laurier Avenue, West
12th floor
Ottawa, Ontario
K1A 0L8

Agence des services
frontaliers du Canada

191, rue Laurier Ouest
12e étage
Ottawa, Ontario
K1A 0L8

April 27, 2017

Jim Pearce
Finance Manager
Peace Bridge Duty Free Inc.
Hamilton International Airport,
P. O. Box 339,
Peace Bridge Plaza
Fort Erie, ON L2A 5N1

Dear Mr. Pearce,

Officials of the Canada Border Services Agency have completed their review of the information your company submitted to support the renewal of the duty free shop licence for Peace Bridge Duty Free Inc. located at the Hamilton International Airport in Hamilton, Ontario.

I am pleased to inform you that your licence has been renewed for a period commencing May 1, 2017, and ending April 30, 2027, subject to your continuing compliance with the legislative and policy requirements of the Duty Free Shop Program.

I take this opportunity to wish your company continued success.

Yours sincerely,

Kathleen Warburton
Manager
Commercial Registration
Kathleen.Warburton@cbsa-asfc.gc.ca

Attachment: Licence

Canada Border
Services AgencyAgence des services
frontaliers du CanadaPROTECTED
PROTÉGÉ **B** when completed
une fois rempliDUTY FREE SHOP
APPLICATION/AMENDMENTBOUTIQUE HORS TAXES
DEMANDE/MODIFICATION

The information provided on this form is collected under the authority of Section 24 of the Customs Act for the purpose of assessing new applications, renewals and amendments to existing duty free shop operations. The information is used by Canada Border Services Agency in order to approve and track requests for new applications and amendments and is used to conduct a risk assessment to insure the individual (s) have no criminal or customs infractions. The information may be disclosed internally for risk assessment purposes. Individuals have the right of access to and/or can make corrections of their personal information under the Privacy Act - Section 12. The information collected is described within Info Source under the Duty Free Shops Program - CBSA PPU 007 which is detailed at <http://www.cbsa-asfc.gc.ca/>.

Les renseignements fournis sur ce formulaire sont recueillis en vertu de l'article 24 de la Loi sur les douanes aux fins d'évaluation des nouvelles demandes, des modifications et des renouvellements relatifs aux boutiques hors taxes. L'Agence des services frontaliers du Canada utilise ses renseignements dans le but d'approuver et de surveiller les nouvelles demandes et les demandes de modification ainsi que pour mener une évaluation des risques afin de s'assurer que les personnes en question n'ont pas commis d'infractions criminelles ou d'infractions relatives aux douanes. Les renseignements peuvent être divulgués à l'interne à des fins d'évaluation des risques. Les personnes ont le droit d'accéder à leurs renseignements personnels ou d'y apporter des corrections en vertu de l'article 12 de la Loi sur la protection des renseignements personnels. Les renseignements recueillis sont clairement indiqués dans la section réservée au Programme des boutiques hors taxes - ASFC PPU 007 du bulletin Info Source offert à l'adresse suivante <http://www.cbsa-asfc.gc.ca/>.

- ☒ Licence to operate / Agrément d'exploitation ☐ Licence amendment / Modification de l'agrément ☐ Amendment (Site/Building/Bond) / Modification (Emplacement/Immeuble/Garantie) ☐ Change in ownership / Changement de propriétaire

Applicant information - Renseignements du demandeur		Are site and building plans included? - Les plans de l'emplacement et de l'immeuble sont-ils inclus?	Licence to operate (Site applied for) / Agrément d'exploitation (Emplacement visé)
Name of applicant - Nom du demandeur HAMILTON INTERNATIONAL DUTY FREE		<input type="checkbox"/> Yes / Oui <input checked="" type="checkbox"/> No / Non	<input checked="" type="checkbox"/> Airport / Aéroport <input type="checkbox"/> Land border / Frontière terrestre
Mailing address - Adresse postale Box 339 FORT ERIS ON		Site Address - Adresse de l'emplacement 9300 AIRPORT RD MOUNT HOPE ON	
Postal code - Code postal L2A 5N1	Telephone No. - N° de téléphone 705-871-5400	Business Number - Numéro d'entreprise 10185-1210	
Duty free shop legal name - Raison sociale de la boutique hors taxes PEACE BRIDGE DUTY FREE INC			

Legal status of applicant (Provide proof of Canadian citizenship) - Statut juridique du demandeur (Fournir une preuve de citoyenneté canadienne)

- ☒ Corporation ☐ Partnership / Société ☐ Sole proprietorship / Propriétaire unique ☐ Trust / Fiducie
- ☐ Canadian citizen - Citoyen canadien ☐ Landed immigrant - Immigrant reçu ☐ Canadian company - Compagnie canadienne

All shares must be owned by individuals who are Canadian citizens or landed immigrants. (Airports excluded)
Les actionnaires doivent tous être des citoyens canadiens ou des immigrants reçus. (Aéroports exclus)

Licence Amendment (Provide certified copy of the amendment) - Modification de l'agrément (Fournir copie certifiée de la modification)

- ☐ Change in name - Changement au nom ☐ Suspension ☐ Cancellation - Annulation

Reasons for amendment - Motifs de la modification

Amendment (Site/Building/Bond) - Modification (Emplacement/Immeuble/Garantie)

Changes requested - Changements demandés

CANADA BORDER SERVICES AGENCY (CBSA) USE ONLY - RÉSERVÉ À L'AGENCE DES SERVICES FRONTALIERS DU CANADA (ASFC)

- ☒ Approved - Approuvée ☐ Not approved - Rejetée

Comments - Commentaires

KH Manager CRU 27 April 2017
Authorized signature and title - Signature autorisée et titre Date

Change in ownership structure (Provide certified copy of the amendment) - Modification à la structure de la propriété (Fournir copie certifiée de la modification)

All shares must be owned by individuals who are Canadian citizens or landed immigrants.
Provide proof of Canadian citizenship.
(Airports excluded)

Les actionnaires doivent tous être des citoyens canadiens ou des immigrants reçus.
Fournir une preuve de citoyenneté canadienne.
(Aéroports exclus)

CURRENT - ACTUELLE
REVISED - MODIFIÉE

Name of applicant - Nom du demandeur

SEE ATTACHED

Name of applicant - Nom du demandeur

Address of residence - Adresse résidentielle

Address of residence - Adresse résidentielle

Postal code - Code postal

Telephone No. - N° de téléphone

Postal code - Code postal

Telephone No. - N° de téléphone

Date of birth - Date de naissance

Beneficial ownership interest
Participation dans la propriété réelle _____ %

Date of birth - Date de naissance

Beneficial ownership interest
Participation dans la propriété réelle _____ %

Name of applicant - Nom du demandeur

Name of applicant - Nom du demandeur

Address of residence - Adresse résidentielle

Address of residence - Adresse résidentielle

Postal code - Code postal

Telephone No. - N° de téléphone

Postal code - Code postal

Telephone No. - N° de téléphone

Date of birth - Date de naissance

Beneficial ownership interest
Participation dans la propriété réelle _____ %

Date of birth - Date de naissance

Beneficial ownership interest
Participation dans la propriété réelle _____ %

Name of applicant - Nom du demandeur

Name of applicant - Nom du demandeur

Address of residence - Adresse résidentielle

Address of residence - Adresse résidentielle

Postal code - Code postal

Telephone No. - N° de téléphone

Postal code - Code postal

Telephone No. - N° de téléphone

Date of birth - Date de naissance

Beneficial ownership interest
Participation dans la propriété réelle _____ %

Date of birth - Date de naissance

Beneficial ownership interest
Participation dans la propriété réelle _____ %

Name of applicant - Nom du demandeur

Name of applicant - Nom du demandeur

Address of residence - Adresse résidentielle

Address of residence - Adresse résidentielle

Postal code - Code postal

Telephone No. - N° de téléphone

Postal code - Code postal

Telephone No. - N° de téléphone

Date of birth - Date de naissance

Beneficial ownership interest
Participation dans la propriété réelle _____ %

Date of birth - Date de naissance

Beneficial ownership interest
Participation dans la propriété réelle _____ %

Name of applicant - Nom du demandeur

Name of applicant - Nom du demandeur

Address of residence - Adresse résidentielle

Address of residence - Adresse résidentielle

Postal code - Code postal

Telephone No. - N° de téléphone

Postal code - Code postal

Telephone No. - N° de téléphone

Date of birth - Date de naissance

Beneficial ownership interest
Participation dans la propriété réelle _____ %

Date of birth - Date de naissance

Beneficial ownership interest
Participation dans la propriété réelle _____ %

Name of applicant - Nom du demandeur

Name of applicant - Nom du demandeur

Address of residence - Adresse résidentielle

Address of residence - Adresse résidentielle

Postal code - Code postal

Telephone No. - N° de téléphone

Postal code - Code postal

Telephone No. - N° de téléphone

Date of birth - Date de naissance

Beneficial ownership interest
Participation dans la propriété réelle _____ %

Date of birth - Date de naissance

Beneficial ownership interest
Participation dans la propriété réelle _____ %

Authorized signature and title - Signature et titre de l'agent autorisé

I hereby certify that all information provided with this application is true and I will conform with all the provisions of the CBSA laws and regulations, requirements and procedures for the operation of the duty free shops.

Je certifie, par la présente, que les renseignements fournis sur cette demande sont vérifiés et que je respecterai toutes les lois et tous les règlements de l'ASFC et toutes les exigences et les procédures pour l'exploitation des boutiques hors taxes.

Applicant's signature and title - Signature et titre du demandeur

Licence no. - N° d'agrément

Date

John Pearce General Manager

April 12, 2017

This is **Exhibit "C"**
referred to in the Affidavit of Cindy Beam
sworn before me this 7th day of April, 2025.



A COMMISSIONER FOR TAKING AFFIDAVITS ETC.

Abir Shamim
LSO# 88251V



[Canada Border Services Agency](#).

[Home](#) → [Import and Export](#)

Duty free shops

The Canada Border Services Agency (CBSA) licenses duty free operators, which sell goods to travellers who are about to leave Canada. Duty free shops are located at 52 land border and international airport locations across Canada. They sell goods free of certain duty and taxes normally levied on goods sold in Canada.

Duty free shops at international airports have been in existence since the 1960s followed by the expansion to land border locations in 1986.

How they work

Duty free shops are intended only for customers who are about to leave Canada. Goods purchased at a duty free shop must be immediately exported. Apart from selling duty- and tax-free goods, these shops also provide information on duty-free exemption limits for travellers to the United States and for returning residents of Canada.

The CBSA oversees the licensing of duty free shops, primarily to ensure duty-free goods are properly accounted for and exported. The CBSA also monitors duty free shops to ensure they comply with government requirements and maintains related regulations and policies.

Related documents

Regulations

- [Duty Free Shop Regulations](#) (Department of Justice)

D-memorandum

- [D4-3-2 - Duty Free Shop – Licensing](#)
- [D4-3-4 - Duty Free Shop – Operational Responsibilities](#)
- [D4-3-5 - Duty Free Shop – Inventory Control and Sales Requirements](#)
- [D4-3-7 - Duty Free Shop - Contraventions and Penalties](#)

¹⁴ **Forms**

- [B116 - Canada Customs duty free Shop Accounting Document](#)
- [BSF664 - Duty Free Shop Application/Amendment](#)
- [E15 - Certificate of Destruction/Exportation](#)

Date modified:

2022-05-18

This is **Exhibit "D"**
referred to in the Affidavit of Cindy Beam
sworn before me this 7th day of April, 2025.



A COMMISSIONER FOR TAKING AFFIDAVITS ETC.

Abir Shamim
LSO# 88251V



Memorandum D4-3-2: Duty Free Shop - Licensing

ISSN 2369-2391

Ottawa, October 21, 2024

Plain language summary

Target audience: Licensed operators of duty free shops and those interested in applying for a duty free shop licence.

Key content: How to apply for and participate in the Canada Border Services Agency's duty free shop program.

Keywords: Duty free shop licence, application, BSF664, CARM, CCP, land border, airport, lease, financial security.

On this page

- [Updates made to this D-memo](#)
- [Definitions](#)
- [Guidelines](#)
 - [Application and Selection Process](#)
 - [Airport Location](#)
 - [Land Border Location](#)
 - [Application Package – Land Border](#)
 - [Other Government Department Requirements](#)
 - [Financial Security Requirements](#)
 - [Adjustments to Financial Security](#)
 - [Licence Renewal](#)
 - [Cancellation, Suspension or Expiration of Licences](#)
 - [Receivership or Bankruptcy](#)
 - [Licence Amendment](#)
 - [Change in Name or Ownership Structure](#)
 - [Death of a Sole Proprietor](#)
 - [Transfer of a Licence](#)

- [References](#)
- [Contact us](#)

Updates made to this D-memo

This memoranda has been updated to:

- include the use of the CBSA Assessment and Revenue Management (CARM) system and the CARM Client Portal (CCP)
- update the land border duty free shop application process, including the requirement for applicants to submit a criminal record check

Definitions

Act means the [Customs Act](#).

applicant means a person who applies for a licence.

beer means beer or malt liquor as defined in section 4 of the [Excise Act](#).

border crossing point means a place on the international border between Canada and the United States at which there is a customs office.

excisable goods means spirits, wine, beer or tobacco products.

excise warehouse has the same meaning as in section 2 of the [Excise Act, 2001](#).

intoxicating liquor has the same meaning as in the [Importation of Intoxicating Liquors Act](#).

licence means a licence issued by the Canada Border Services Agency (CBSA) to operate a duty free shop.

licensee means a person to whom a licence has been issued.

Guidelines

1. The [Customs Act](#), subsection 24(1), provides the Minister of Public Safety with discretion when considering whether to issue a Duty Free Shop (DFS) licence. When

choosing a suitable licensee, the Minister has the discretion to consider matters that are necessary or desirable to the overall intent of the program and government policy.

2. The DFS licence issued by the CBSA allows a licensee to acquire goods free of certain duties and taxes (other taxes, such as excise taxes, may be applicable) for sale to travelers who will immediately export the goods from Canada. The licence holds no monetary value and it does not express an implied guarantee of income in its own right, nor does it grant the licensee privileges in other government programs or jurisdictions that require their own licenses, permits or contracts.

3. The CBSA will strive to process applications within 90 calendar days from the deadline for application submissions.

4. Only complete application packages that have been submitted through the CARM Client Portal (CCP) and meet all of the requirements of the [Duty Free Shop Regulations](#) (DFSR) will be considered.

5. DFS applicants must login into the CCP to apply for a DFS licence. Onboarding and log in instructions for the CCP can be found on the [CBSA CARM Client Portal webpage](#).

6. Communication between the CBSA and DFS applicant will be through the CCP. Applicants are expected to monitor the CCP for notifications regarding their application to ensure there is no delay in processing.

7. Existing DFS licensees must also register through the CCP for all communications with the CBSA. Onboarding and log in instructions are on the [CBSA CARM Client Portal webpage](#).

Application and Selection Process

8. Applications are only accepted for land border and airport locations. Applications for marine and rail locations will be refused as there is no provision for these locations in the DFSR.

9. The eligibility requirements for a DFS licence vary between land border crossings and airport locations. For further details refer to the DFSR.

10. Anyone interested in establishing a DFS at a site where there is no existing DFS or where an adequate range of goods is not available at an existing DFS, shall email [Duty Free Shops-Boutiques Hors Taxes@cbsa-asfc.gc.ca](mailto:Duty_Free_Shops-Boutiques_Hors_Taxes@cbsa-asfc.gc.ca) with the location to be considered.

11. The CBSA will review the initial request to determine whether:

- a) the CBSA is able to provide service to the proposed DFS location;
- b) the establishment of a DFS will impede the flow of traffic; and

- c) an adequate range of goods and services is already provided if a DFS already exists in the proposed area.

12. The CBSA will also review traffic and passenger data to determine if there is sufficient volume to support a DFS.

Airport Location

13. For the establishment of a DFS at an airport, lease applications may be invited through a tendering process administered by the Airport Authority. Once a successful candidate has been selected, the interested party must submit through the CCP a completed airport DFS application which includes:

- a completed [Form BSF664, Duty Free Shop Application/Amendment](#), indicating their interest in operating a DFS;
- a copy of the lease from the airport authority;
- the airport layout (blueprints) indicating the location of the DFS (pre/post security);
- layouts (blueprints) of the DFS, on-site storage areas and off-site storage facility if applicable;
- a letter from the United States Customs and Border Protection (USCBP) authorizing the operation of the DFS behind the USCBP Primary Inspection Line (if necessary);
- product lines and general description of anticipated merchandise; and,
- anticipated hours of operation.

14. Ownership structure, including names, addresses, dates of birth and percentage of share owners will be provided to the CBSA by registered mail or courier due to the sensitivity of the information.

- For Canada Post, please use:
Canada Border Services Agency
Commercial Registration Unit
12th FLOOR SRS
Ottawa ON K1A 0L8
- For all other couriers, please use:
CBSA - Commercial Registration Unit

12th FLOOR SRS
 2215 GLADWIN BUILDING C
 Ottawa ON K1B 4K9

Land Border Location

15. If a proposed land border crossing point is deemed acceptable, the CBSA will publically communicate through a national advertisement, that applications are being accepted for the proposed DFS location. The CBSA will advise the Frontier Duty Free Association (FDFA) that a process for the establishment of a land border DFS has commenced.

Application Package – Land Border

16. An application package detailing the application requirements and process will be provided to those interested at the onset of the land border application process. For a copy, please contact duty_free_shops-boutiques_hors_taxes@cbsa-asfc.gc.ca.

17. Form BSF664 and the operational schedules contained within the application package must be completed in their entirety and submitted through the CCP for the application to be recommended for further consideration.

18. To protect the security of the information, the following documents must be submitted to CBSA by registered mail or courier to the corresponding address in paragraph 14:

- (a) Ownership structure, including names, residential addresses, dates of birth and percentage of share owners.
- (b) Proof of Canadian citizenship or permanent resident status for all owners and shareholders.
- (c) Certified Criminal Records Check(s) for each owner, partner, officer and director of the corporation.
 - Certified criminal records checks must be performed by the local police authority or an accredited third-party, within the jurisdiction of the individual's Canadian primary residence. General information on obtaining a criminal record check in Canada is on the [Royal Canadian Mounted Police website](#). As each jurisdiction may have their own process, please consult the local police authority for specific information on certified criminal record checks.
 - All fees for certified criminal records checks are the responsibility of the applicant(s).

19. Applications or additional information submitted after the closing date for receipt of applications may not be considered. Failure to comply with the application deadline or documentation requirements may impact the assessment of the application package.

20. For land border DFSs, an eligibility list will be created through an evaluation process, ranking the applications in order of their final scores. The successful applicant is determined by the Minister on the basis of highest score.

21. The CBSA will advise all applicants of the result of the selection process through the CCP. Unsuccessful applicants may request feedback through the CCP on the evaluation of their application within 90 days of receiving the result.

22. The successful applicant must provide finalized proof of lease/ownership and post financial security through the CCP, otherwise, their application will be disqualified. The successful applicant must also meet all regulatory requirements and satisfy the CBSA that administrative and operating procedures are in place for the reporting, accounting and physical security of the inventory before the licence will be issued.

Other Government Department Requirements

23. Applicants must also include a copy of the provincial liquor authorization in order to sell alcohol. The licensee cannot sell alcohol products until the authorization is received and a copy submitted to the CBSA.

24. Applicants who intend to possess and sell imported manufactured tobacco that is subject to special duty under the [Excise Act, 2001](#) must apply for a separate excise duty licence with the Canada Revenue Agency. For more information, please consult [EDM7-1-4- Duty Free Shop Operators](#).

Financial Security Requirements

25. A DFS licensee is liable for applicable taxes on its domestic goods and for duties and taxes on imported goods unless the licensee can prove that the goods have been sold for export, are still in the DFS, have been destroyed or have been lawfully removed. To protect the interests of the Crown, DFS licensees must post financial security against their inventory in order to operate. In the event the DFS licensee fails to pay duties and taxes owed, action may be taken against the security in order to recover any outstanding amounts.

26. The amount of financial security will be based on 25 percent of the highest projected value of the total inventory of the DFS and any off-site locations for the first year of operation. The amount of financial security for subsequent years will be based on 25 percent of the highest total value of inventory for the previous year. The minimum amount of security is CAN\$10,000 for each DFS licence.

27. Financial security must be posted through the CCP. General policies and procedures for posting and filing financial security are outlined in [Memorandum D1-7-1, *Posting Security for Transacting Bonded Operations*](#). For more information on financial security in CARM refer to the [CBSA website](#), and the [Financial Security \(Electronic Means\) Regulations](#).

Adjustments to Financial Security

28. DFS licensees are required to review their financial security once per year to ensure the amount is adequate to the value of the inventory on hand.

29. Changes to financial security resulting from the annual review are reported on Form BSF664, indicating yearly financial security amendment and noting the highest inventory value for the previous year. Licensees must submit the updated information through the CCP.

30. When the CBSA determines that a change to financial security is required, the CBSA will send a notice to the licensee, through the CCP, instructing them to post a bond for the amended amount.

31. A licensee can change the surety company or financial institution for its financial security at any time by submitting a replacement through the CCP. At no time may a DFS operate without coverage. Whenever the financial security posted by a licensee is to be amended, Form BSF664 is to be completed by the DFS licensee and submitted to the CBSA through the CCP.

Licence Renewal

32. The Minister, or the Minister's authorized delegate, has the sole discretion to determine whether to renew an existing licence. A DFS licence is issued for a maximum of 10 years. The DFS licensee must request renewal of their licence by submitting a completed Form BSF664 through the CCP at least 60 days prior to the expiry of their licence.

33. The licensee must provide the names, titles, telephone numbers, residential addresses, dates of birth, share allocation by percentage and citizenship of the company's board of directors and owners.

34. The licensee must confirm that they continue to hold the required provincial liquor authority/permit to sell alcohol. If this lapses, the DFS licensee cannot sell alcohol products until the authority/permit is received and a copy is submitted to the CBSA.

35. After a request for a licence renewal has been submitted, the CBSA will conduct a review of the DFS licensee's compliance history to confirm whether the licensee continues to meet all program requirements.

36. If the CBSA is satisfied with the outcome of the review, the licence will be renewed for another 10 year period or for a shorter period at the Minister's discretion. A new licence will be sent to the licensee through the CCP.

37. If a DFS licence runs its full term and is not renewed, it will be deemed to have expired and will no longer be valid.

Cancellation, Suspension or Expiration of Licences

38. Pursuant to the provisions of the DFSR, the CBSA has the discretion to cancel or suspend an existing licence. If the CBSA cancels or suspends a licence, the licensee will be advised through the CCP of the reason and the effective date of suspension or cancellation. The DFS will be locked and secured by the local CBSA office.

39. In the case of cancellation, the DFS will remain locked and sealed until the inventory has been properly disposed of. In the case of suspension, the DFS will remain locked and sealed by the local CBSA office until a decision is made by the CBSA either to reinstate or cancel the licence.

40. In the case where the DFS operator has failed to apply to renew their DFS licence before the expiry date, the DFS will be locked and sealed by local CBSA until a decision is made by the Minister either to reinstate or cancel the licence.

41. Regardless of whether a DFS licence has been cancelled, suspended or is expired, immediately after the effective date, the local CBSA office will conduct a complete audit of the DFS inventory to ensure that records are maintained and updated. The auditor will enter the results of the audit into CARM.

42. When a licensee requests the Minister to cancel their licence to operate a DFS, the notice of cancellation should include an outline of the licensee's plan to dispose of the assets. A cancellation request should be made 60 days in advance to allow CBSA processing time. A licence, once cancelled by the Minister, will not be reinstated. Refer to sections 8 through 12 of the DFSR.

Receivership or Bankruptcy

43. When it is expected that a DFS will be placed under the control of a receiver or may go bankrupt, the DFS licensee must notify the CBSA immediately by sending a notice through the CCP.

44. The trustees and the licensee may be given limited access to the DFS but no sale or movement of goods is to take place without prior approval of the local CBSA office. In the case of a receivership, the licensee may request that the receivers be allowed to continue the day-to-day operations of the shop providing they meet the requirements of the DFS program. In the case of a bankruptcy, the DFS licence is automatically cancelled, and the DFS will be locked and secured by the local CBSA.

45. In both cases, the local CBSA office will conduct a complete audit of the DFS inventory and ensure that records are up to date. The auditor will enter the results of the audit into CARM.

Licence Amendment

46. A DFS licensee must request approval and submit the required documentation to the CBSA for any impending changes to the DFS, such as:

- (a) legal or operating name;
- (b) ownership structure; or,
- (c) operation of the DFS (i.e. off-site outlets, hours of operation, expansion of operation, change in location etc.)

47. Each submission should be uploaded in the CCP using Form BSF664, outlining the reason(s) for the change. If ownership information, proof of Canadian citizenship or permanent resident status, and/or certified criminal record checks are required to support the submission, these documents must be submitted to CBSA by registered mail or courier. The CBSA must be allowed sufficient time to review the proposal before the impending change takes effect.

Change in Name or Ownership Structure

48. A change in ownership structure may involve:

- (a) contraction – where one or more of a group of shareholders decide to withdraw from the entity that holds the DFS licence;
- (b) expansion – where one or more new shareholders are added;
- (c) redistribution – where shares are transferred between existing shareholders; or,
- (d) shares up for sale – where all shareholders sell their shares to another legal entity.

49. Proposals to the ownership structure are to include the existing ownership structure and the proposed ownership structure. The proposal must also include the names, residential addresses, dates of birth and percentage of share owners. For land border DFSs, new shareholders must provide proof of Canadian citizenship or permanent resident status and a certified Criminal Records Check.

50. Proposals to change the name by which the DFS is known or to change the company name in which the licence was issued must outline the reasons for the change and be accompanied by a certified copy of the amendment to the article of corporation if applicable. Ownership information, proof of Canadian citizenship or permanent resident status, and/or certified criminal record checks must be sent to the

CBSA by registered mail or courier. All other supporting documents must be uploaded into the CCP.

51. If it is determined that the licensee would no longer qualify under the DFSR as a result of the transfer of shares, the CBSA will provide notice through the CCP that an amended licence could not be issued. Transfers without CBSA approval can result in the cancellation of the existing licence.

Death of a Sole Proprietor

52. In the event of the death of a sole proprietor, the executor of the estate must inform the CBSA immediately. The DFS is to be locked and secured by the local CBSA office.

53. The beneficiary or the executor will be granted 30 days from the date the notification is received to submit a request to amend the ownership structure in accordance with the procedures outlined in paragraphs 48-50.

54. In such an event, the local CBSA office will conduct a complete audit of the DFS upon receiving such notification and ensure all inventory records are up to date. The representative (estate) will be held responsible for all deficiencies or other discrepancies noted in the inventory audit. The beneficiary or executor will be given limited access to the DFS but no sale or movement of goods is to take place without prior approval of the CBSA.

55. If the beneficiary does not wish to make an application for the continued operation of the DFS, or the application made by the beneficiary is rejected, goods in the DFS inventory are to be disposed of in accordance with the provisions of [Memorandum D4-3-5, Duty-Free Shop – Inventory Control and Sales Requirements](#) and the DFS licence will be cancelled.

Transfer of a Licence

56. A licence to operate a DFS is not transferable. If an existing DFS licensee wishes to terminate the licence by disposing of their interests through the sale of the shop, the licensee is to submit a notice of cancellation to the CBSA through the CCP, as outlined in paragraph 42.

References

Consult these resources for further information.

- [D1-7-1: Posting Security for Transacting Bonded Operations](#)
- [D4-3-5: Duty Free Shop – Inventory and Control Sales Requirements](#)
- [BSF664, Duty Free Shop Application/Amendment](#)

Applicable legislation

- [Customs Act](#)
- [Duty Free Shop Regulations](#)
- [Excise Act, 2001](#)
- [Financial Security \(Electronic Means\) Regulations](#)

Superseded D memoranda

D4-3-2 dated October 28, 2015

Issuing office

Regulatory Trade Programs Division
Trade and Anti-dumping Programs Directorate
Commercial and Trade Branch

Contact us

[Contact border information services](#)

This is **Exhibit "E"**
referred to in the Affidavit of Cindy Beam
sworn before me this 7th day of April, 2025.



A COMMISSIONER FOR TAKING AFFIDAVITS ETC.

Abir Shamim
LSO# 88251V



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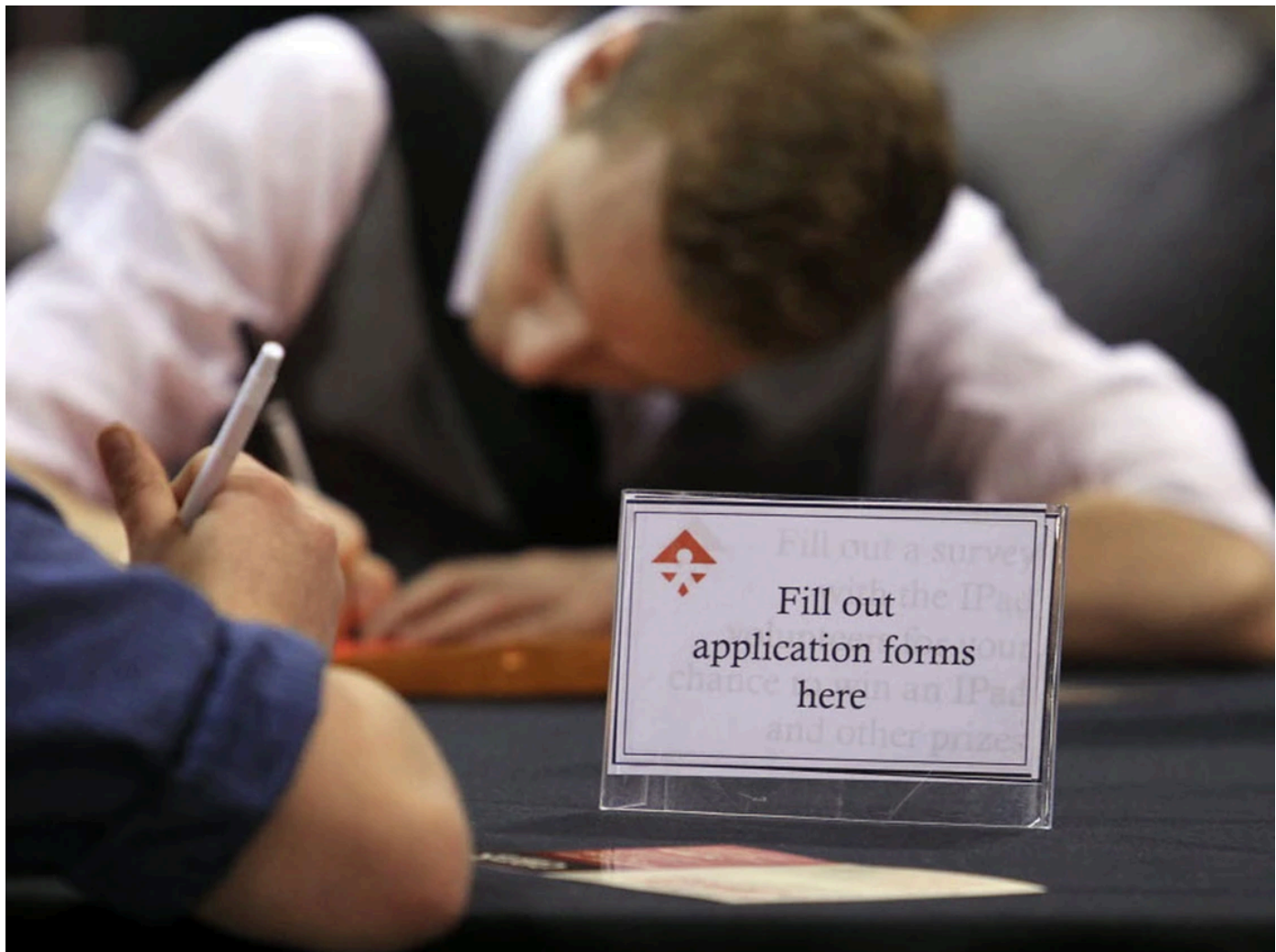
Canada's unemployment rate rises to 6.7% as economy loses 33,000 jobs

Largest decrease in employment since January 2022

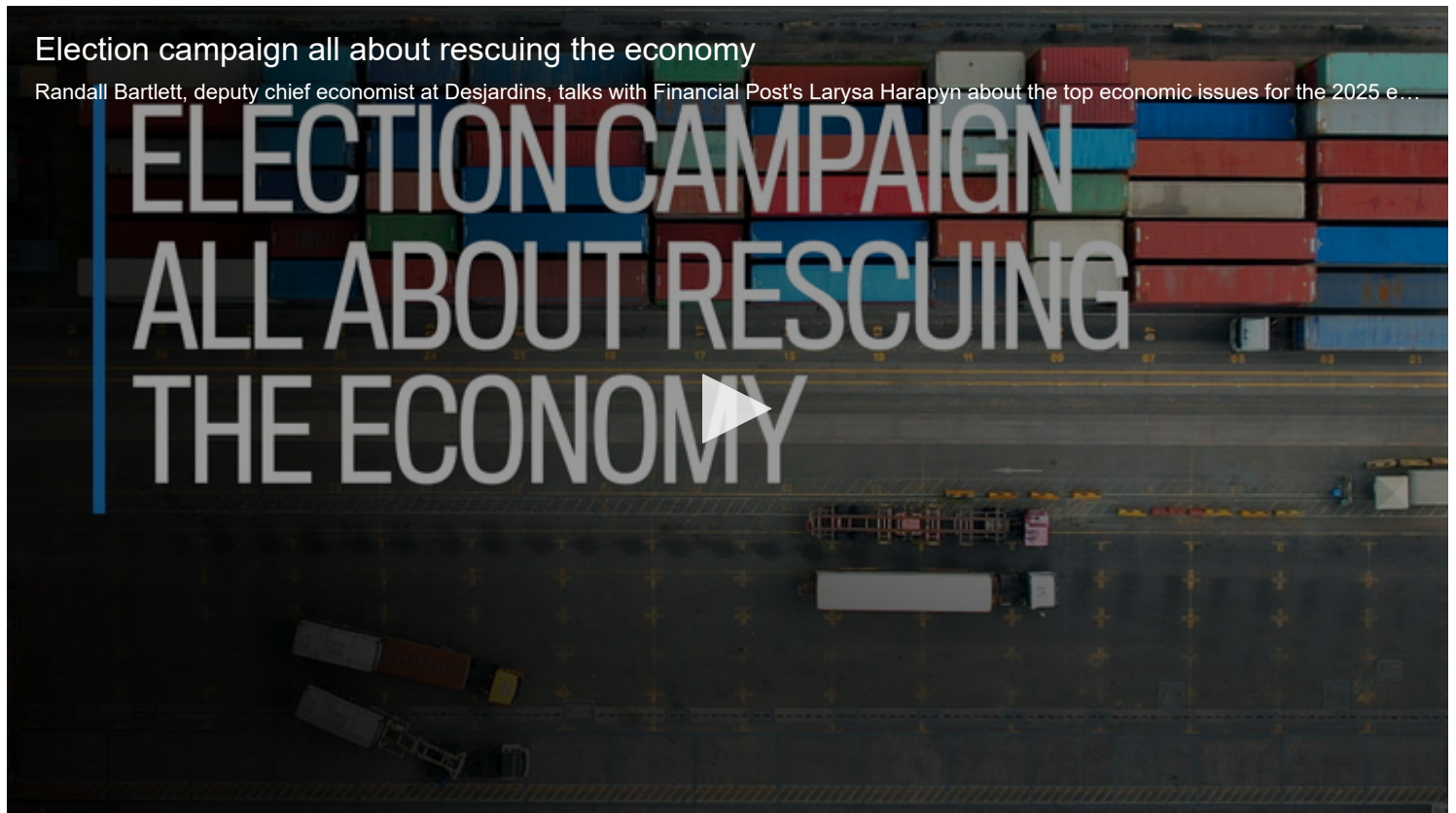
Jordan Gowling

Published Apr 04, 2025 • Last updated 2 days ago • 3 minute read

 66 Comments



Canada's unemployment rate climbed to 6.7 per cent in March, up from 6.6 per cent the month before, as the economy lost 33,000 jobs, Statistics Canada said on Friday.



The job losses were the largest decrease in employment since January 2022. Economists polled by Reuters had expected a gain of 10,000 jobs in the month.

Nearly 1.5 million people were unemployed in March, up 36,000 from the previous month and 167,000 from a year ago. Employment fell in the wholesale and retail trade, information, culture and recreation, agriculture, manufacturing and construction sectors.



"The wheels may be starting to fall off the Canadian labour market, with a 33,000 decline in jobs during March falling well short of consensus forecasts for a 10,000 gain," Andrew Grantham, an economist at CIBC Capital Markets, said in a note after the data was released.

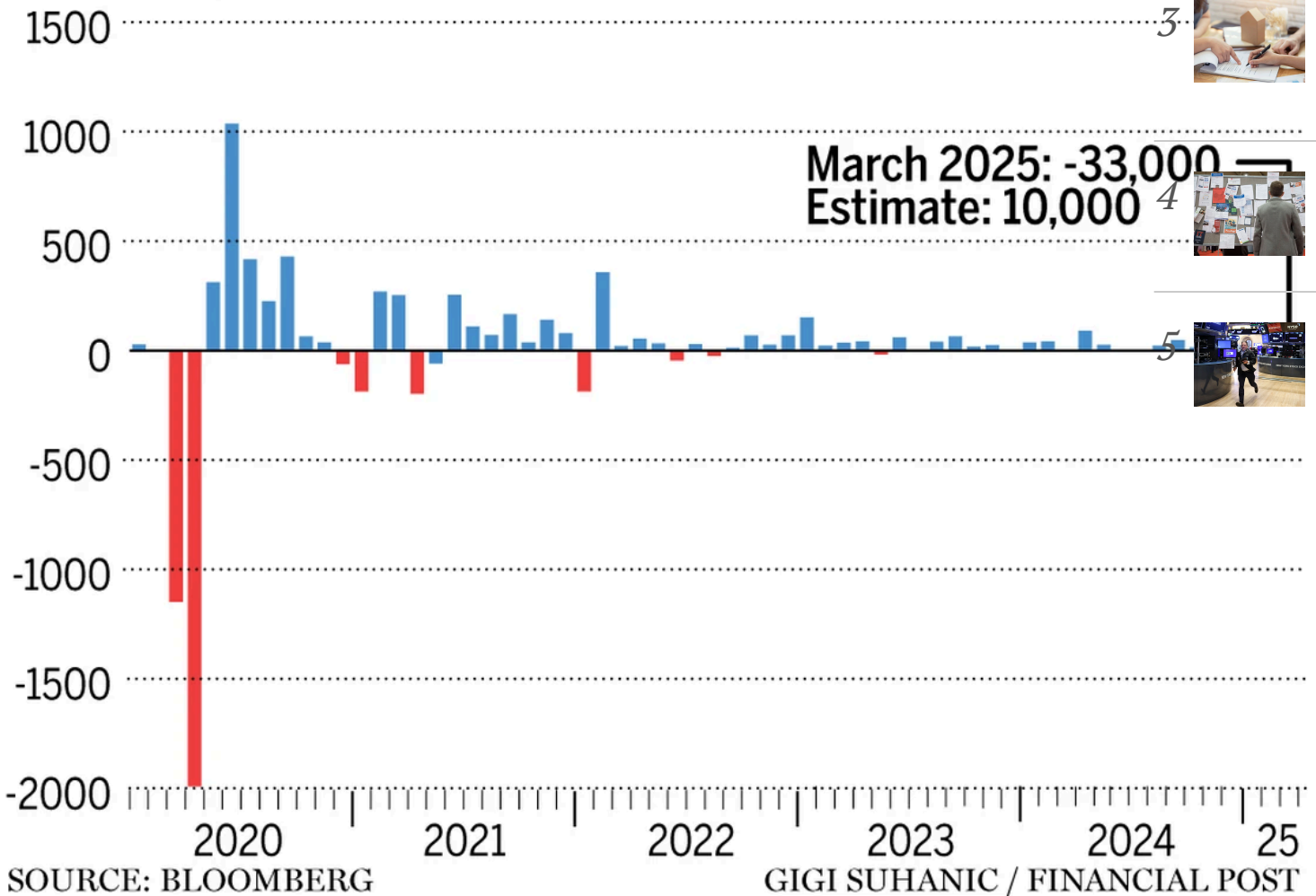
TRENDING 🔥

1



ECONOMY SHEDS 33,000 JOBS IN MARCH

Net change, seasonally adjusted



Private-sector employment fell by 48,000 in March, while public-sector employment was little changed. The overall drop in employment was driven by a 0.4 per cent decline in full-time work.

“The impact of trade tariffs appears to be working its way through the economy,” James Orlando, senior economist at Toronto-Dominion Bank, said in a note to clients. “Businesses and consumers are naturally hesitant in the face of heightened political uncertainty.”

Last month, when the [Bank of Canada](#) cut its [interest rate](#) to 2.75 per cent, it posted findings from business and consumer surveys that showed businesses plan to pull back on hiring amid trade uncertainty with the United States.

In early March, U.S. President [Donald Trump](#) imposed a 25 per cent tariff on Canadian goods not in compliance with the [Canada-United States-Mexico Agreement](#) (CUSMA) and a 10 per cent tariff on Canadian energy not in compliance with CUSMA. He also imposed a 25 per cent tariff on Canadian steel and aluminum on March 12 and on autos not made in the U.S. on April 3.



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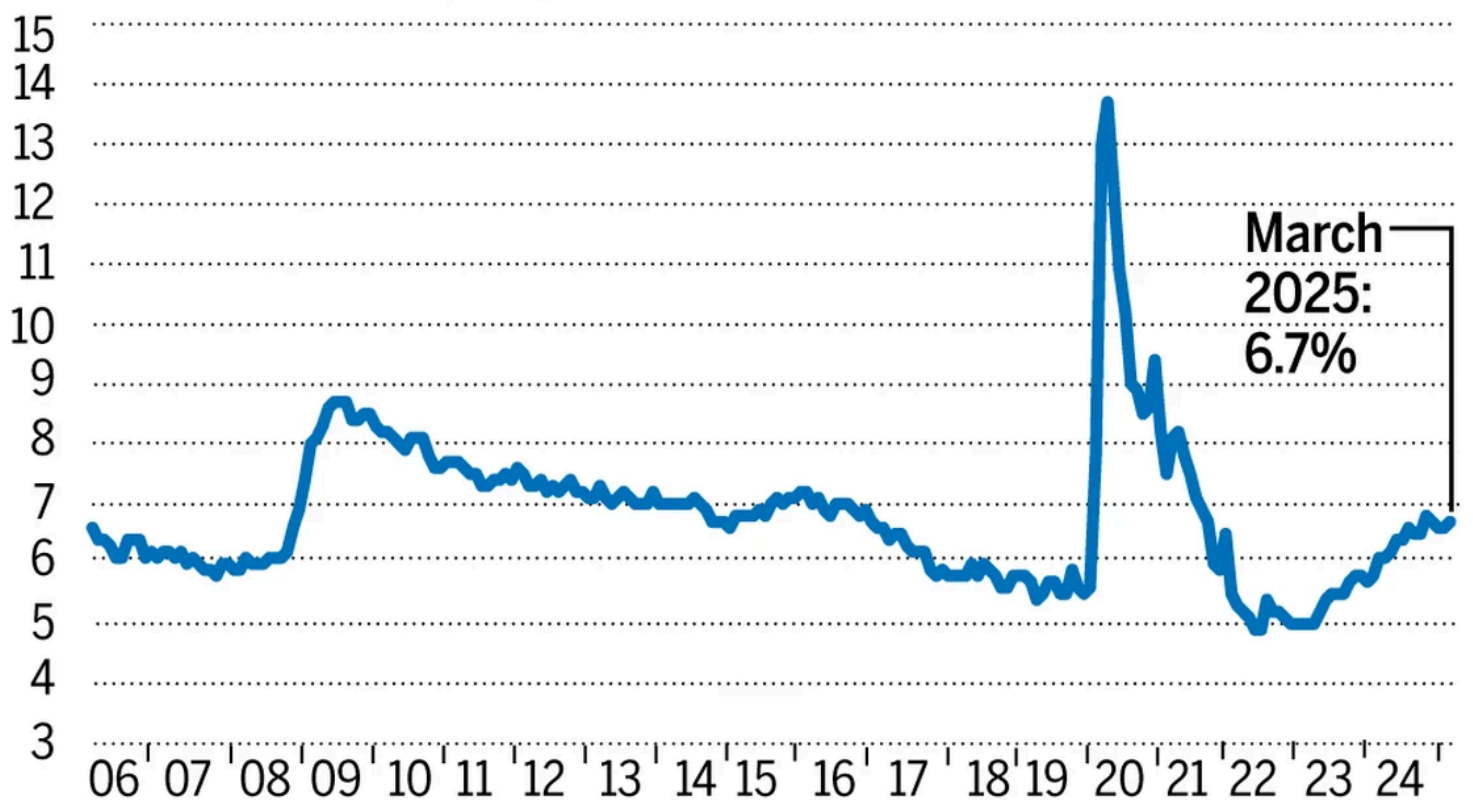


“As a result of all these trade-related factors, many businesses have scaled back their hiring and investment plans,” [Bank of Canada](#) governor [Tiff Macklem](#) said during the bank’s last policy rate announcement on March 12.

Statistics Canada on Friday said 0.7 per cent of those who were employed in February became unemployed in March due to layoffs. The layoff rate is little changed from what it was a year ago and is identical to the pre-pandemic average.

UNEMPLOYMENT RATE RISES TO 6.7%

Per cent, seasonally adjusted



SOURCE: STATISTICS CANADA

GIGI SUHANIC / FINANCIAL POST

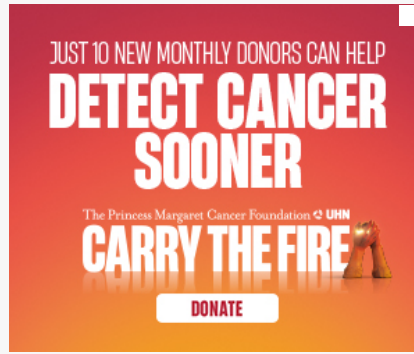
“Gauging the contribution of swirling tariff winds is the key question in the soft March numbers, but we didn’t see the smoking gun,” Brendon Bernard, senior economist at Indeed Canada, said in a note. “Instead, March’s weakness stemmed from a continuation of the trends that weighed on the job market in 2024, namely, slow hiring, which has made it tougher for those out of work to land a job.”

The weak jobs report could give the Bank of Canada room to cut its rate at its next decision on April 16, economists said.

“While pricing for April is still undecided, we think the bank should keep cutting by at least another 50 basis points (cumulative) over the coming months in order to cushion the blow from tariffs,” Orlando said. “Today’s discouraging jobs report showcases the downside risks to the economy,

which warrants further action from the Bank of Canada.”

STORY CONTINUES BELOW



Grantham said the job market is expected to continue to decline, especially in sectors most directly impacted by U.S. tariffs. CIBC expects the unemployment rate to peak slightly above seven per cent in the second half of this year.

The Bank of Canada's business and consumer outlook survey out Monday will also be key to the central bank's next rate decision, he said.

Total hours worked rose by 0.4 per cent during the month and 1.2 per cent from a year ago. Average hourly wages were up 3.6 per cent on a year-over-year basis, following 3.8 per cent growth in February.

RECOMMENDED FROM EDITORIAL



Tariffs could lead to 160,000 job losses in second quarter

• Email: jgowling@postmedia.com

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ROYAL BANK OF CANADA v. PEACE BRIDGE DUTY FREE INC.

Applicant

Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at **TORONTO**

AFFIDAVIT OF CINDY BEAM
(sworn April 7, 2025)

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Lawyers Cindy Beam

TAB 2

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

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

PEACE BRIDGE DUTY FREE INC.

Respondent

**AFFIDAVIT OF KATHLEEN CLEMENTS
(sworn April 7, 2025)**

I, Kathleen Clements, of the Community of Stevensville, in the Province of Ontario,
MAKE OATH AND SAY:

1. I am the Liquor Specialist and Sales Associate of Peace Bridge Duty Free Inc. ("**PBDF**"), a duty-free retail company that is based in Fort Erie, Ontario and was formed by way of amalgamation of a company by the same name and Giving Gallery Inc. on March 1, 2012.
2. I have reviewed the Affidavit of Cindy Beam sworn March 26, 2025, and the Supplementary Affidavit of Cindy Beam sworn April 7, 2025, and I agree with its contents.
3. I am also very concerned about losing my job in a difficult job market. These concerns would extend to other similarly situated employees of PBDF.
4. I swear this Affidavit in good faith and to oppose the receivership application of the Royal Bank of Canada or in the alternative, in support of the limited appointment of a receiver over the accounts and inventory of PBDF only, and for no improper purpose.

SWORN REMOTELY by Kathleen Clements of the Community of Stevensville, in the Province of Ontario, before me in the City of Toronto, in the Province of Ontario, on April 7, 2025, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Abir Shamim
LSO# 88251V

A Commissioner for Taking Affidavits, etc.


KATHLEEN CLEMENTS

ROYAL BANK OF CANADA v. PEACE BRIDGE DUTY FREE INC.

Applicant

Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at **TORONTO**

AFFIDAVIT OF KATHLEEN CLEMENTS
(sworn April 7, 2025)

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Lawyers Cindy Beam and Kathleen Clements

TAB 3

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

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

PEACE BRIDGE DUTY FREE INC.

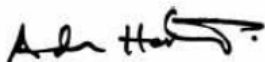
Respondent

**AFFIDAVIT OF ABIR SHAMIM
(sworn April 7, 2025)**

I, Abir Shamim, of the City of Mississauga, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am an associate with the law firm, Koskie Minsky LLP, lawyers for Cindy Beam and Kathleen Clements.
2. Attached hereto and marked as **Exhibit "A"** is a copy of the email correspondence between David Ullmann, counsel for Peace Bridge Duty Free Inc., and Sanjeev Mitra and Christian Delfino, counsel for the Royal Bank of Canada, dated March 31, 2025.
3. Attached hereto and marked as **Exhibit "B"** is a copy of the email correspondence between Mr. Ullmann and Leanne Williams, counsel for the Monitor (msi Spergel inc.), between March 31, 2025 and April 2, 2025.

SWORN REMOTELY by Abir Shamim of the City of Mississauga, in the Province of Ontario, before me in the City of Toronto, in the Province of Ontario, on April 7, 2025, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



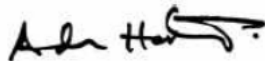
A Commissioner for Taking Affidavits, etc.

Andrew J. Hatnay
LSO# 31885W



ABIR SHAMIM

This is **Exhibit "A"**
referred to in the Affidavit of Abir Shamim
sworn before me this 7th day of April, 2025.



A COMMISSIONER FOR TAKING AFFIDAVITS ETC.

Andrew J. Hatnay
LSO# 31885W

From: Sanjeev Mitra <smitra@airdberlis.com>
Sent: Monday, March 31, 2025 11:44:39 a.m.
To: David T. Ullmann <DULLmann@blaney.com>; Cristian Delfino <cdelfino@airdberlis.com>
Cc: 'Jim Pearce' <JimP@dutyfree.ca>; 'Greg O'Hara' <gohara@dutyfree.ca>; Brendan Jones <BJones@blaney.com>;
 Sanjeev Mitra <smitra@airdberlis.com>; Leanne Williams <LWilliams@tgf.ca>; Mukul Manchanda
 <mmanchanda@spergel.ca>
Subject: RE: Peace Bridge Duty Free Inc. - Court File No. CV-21-00673084-00CL

David, it will be up to the Receiver to work out a realization plan. I think you should deal directly with representatives of the Receiver if you would like to understand what will occur in the event of a receivership. I have copied in Leanne and Mukul in that regard.

We will get you a payout number but you can review the last report of the Monitor which contains the numbers and breakdown. Any unanswered questions could be put to the monitor.

Thanks

Sanj
Sanjeev Mitra, B.Sc., LL.B.
 Partner

T 416.865.3085
 E smitra@airdberlis.com

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 If you did receive this email in error, the information in this email may be confidential and must not be disclosed to anyone.

From: David T. Ullmann <DULLmann@blaney.com>
Sent: March 31, 2025 11:25 AM
To: Cristian Delfino <cdelfino@airdberlis.com>
Cc: Sanjeev Mitra <smitra@airdberlis.com>; 'Jim Pearce' <JimP@dutyfree.ca>; 'Greg O'Hara' <gohara@dutyfree.ca>;
 Brendan Jones <BJones@blaney.com>
Subject: RE: Peace Bridge Duty Free Inc. - Court File No. CV-21-00673084-00CL

Thanks Cristian. A payout statement would be helpful. I expect you will do so, but please break out the payout statement between the two facilities and please explain how the number is arrived at so I can avoid any back and forth on that. I hope to be back to you by the end of this week, if not sooner.

I would also ask for the Bank to confirm whether or not it intends to ask the receiver to operate the business and, if so, whether or not the Bank intends to continue the employment for any of the staff in such an event.

David

David T. Ullmann
Partner

dullmann@blaney.com

☎ 416-596-4289 | ☎ 416-594-2437

From: Cristian Delfino <cdelfino@airdberlis.com>
Sent: Monday, March 31, 2025 11:11 AM
To: David T. Ullmann <DUllmann@blaney.com>
Cc: Sanjeev Mitra <smitra@airdberlis.com>
Subject: Peace Bridge Duty Free Inc. - Court File No. CV-21-00673084-00CL

Hi David,

Further to Her Honour's endorsement dated March 27, 2025, the receivership application has been adjourned to April 8, 2025 at 10:00 a.m. to permit your client to fully repay the indebtedness owed to the bank.

Can you please confirm when or if your client intends to repay the bank? Absent advice to the contrary, we will be providing you with a payout amount as at April 7, 2025.

Thank you kindly and please do let us know.

Cristian Delfino (he/him)
Associate

T 416.865.7748
F 416.863.1515
E cdelfino@airdberlis.com

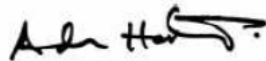
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This is **Exhibit "B"**
referred to in the Affidavit of Abir Shamim
sworn before me this 7th day of April, 2025.



A COMMISSIONER FOR TAKING AFFIDAVITS ETC.

Andrew J. Hatnay
LSO# 31885W

From: Leanne Williams <LWilliams@tgf.ca>
Sent: Wednesday, April 2, 2025 10:07:11 p.m.
To: David T. Ullmann <DUllmann@blaney.com>; mmanchanda@spergel.ca <mmanchanda@spergel.ca>
Cc: Jim Pearce <jimp@dutyfree.ca>; Greg O'Hara <gohara@dutyfree.ca>
Subject: RE: [EXTERNAL]Peace Bridge [IMAN-CLIENT.FID204985]

David,

As previously advised, the Model Order allows, but does not obligate, the Receiver to take possession and control. Upon its appointment, the Receiver will meet with the debtor and the key stakeholders to assess how best to manage the receivership for the benefit of all stakeholders, including the creditors, the landlord, the employees and the customers. As in any receivership, the Receiver expects that the debtor will cooperate in achieving this goal.

Leanne



Leanne M. Williams | LWilliams@tgf.ca | Direct Line +1 416 304 0060 | www.tgf.ca

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From: David T. Ullmann <DUllmann@blaney.com>
Sent: Monday, March 31, 2025 11:24 AM
To: Leanne Williams <LWilliams@tgf.ca>; mmanchanda@spergel.ca
Cc: Jim Pearce <jimp@dutyfree.ca>; Greg O'Hara <gohara@dutyfree.ca>
Subject: RE: [EXTERNAL]Peace Bridge [IMAN-CLIENT.FID204984]

Hello Leanne,

Further to our appearance in court last week and some of the submissions you made, I am now asking for a **with prejudice** answer to my question below. Specifically, assuming a receiver is appointed on April 8th (which may or may not be the case) please advise whether or not the receiver intends to operate the business, how it intends to do so, what steps it has taken to satisfy itself that a receiver can operate this business, and what arrangements, if any, it has made with the landlord in this regard?

Thank you.

David

David T. Ullmann
 Partner

ROYAL BANK OF CANADA v. PEACE BRIDGE DUTY FREE INC.

Applicant

Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
 Proceeding commenced at **TORONTO**

AFFIDAVIT OF ABIR SHAMIM
 (sworn April 7, 2025)

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Lawyers Cindy Beam and Kathleen Clements

ROYAL BANK OF CANADA v. PEACE BRIDGE DUTY FREE INC.

Applicant

Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at **TORONTO**

SUPPLEMENTARY RESPONDING MOTION RECORD
OF CINDY BEAM AND KATHLEEN CLEMENTS
(RETURNABLE APRIL 8, 2025)

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Lawyers Cindy Beam and Kathleen Clements