

**ONTARIO
SUPERIOR COURT OF JUSTICE**

ROYAL BANK OF CANADA

Applicant

- and -

1175648 ONTARIO LIMITED

Respondent

**IN THE MATTER OF AN APPLICATION PURSAUNT TO SECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3. AS AMENDED, AND
SECTION 101 OF THE *COURTS OF JUSTICE ACT*, RSO 1990, c C43, AS AMENDED**

AMENDED NOTICE OF MOTION

Msi Spergel inc. ("**Spergel**"), in its capacity as Court-appointed receiver (in such capacity, the "**Receiver**"), appointed pursuant to the Order of the Honourable Justice Andre dated November 15, 2024 (the "**Appointment Order**"), of the Property, as defined in the Appointment Order, of 1175648 Ontario Limited (the "**Debtor**"), will make a Motion to a Judge.

PROPOSED METHOD OF HEARING: The Motion is to be heard:

- In writing under subrule 37.12.1 (1) because it is;
- In writing as an opposed motion under subrule 37.12.1 (4);
- In person;
- By telephone conference;
- By video conference.

at the following location:

On Tuesday, June 2, 2026, or as soon after that time as the Motion can be heard by judicial teleconference via Zoom at Brampton, Ontario.

THE MOTION IS FOR:

1. An Order, substantially in the form attached hereto at Schedule “A”, *inter alia*:
 - a. An Approval and Vesting Order approving the sale transaction (the “**Transaction**”) contemplated by the Agreement of Purchase and Sale dated October 22, 2025, entered between 16480799 Canada Inc. (the “**Purchaser**”) and the Receiver, as Vendor, (the “**Sale Agreement**”) with respect to the Real Property and authorizing the Receiver to complete the transaction thereby (the “**Transaction**”).
 - b. Vesting in the Purchaser, the Debtor’s right, title and interest in and to the Real Property, free and clear of any claims and encumbrances save and except for “Permitted Encumbrances” as defined in the Sale Agreement.
2. An Ancillary Order, substantially in the form attached hereto at Schedule “B”, *inter alia*:
 - a. That the time for service, filing and confirmation of the Notice of Motion and the Motion Record be abridged so that this motion is properly returnable today and dispensing with further service and confirmation thereof;
 - b. Approving the Second Report of the Receiver dated March 19, 2026 (the “**Second Report**”), and the activities and conduct of the Receiver set out therein provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way the approval of the Second Report;
 - c. Approving the Receiver’s Interim Statement of Receipts and Disbursements as detailed in the Second Report;
 - d. Approving the fees and disbursements of the Receiver and its counsel, Harrison Pensa LLP, and authorizing payment of same;

- e. Sealing the Confidential Appendices (as defined herein) to this Second Report until the earlier of the completion of the Transaction or until further Order of this Court.
 - f. **Approving the Interim Proposed Distributions (as defined in the Second Report)**
3. The costs of this motion on a substantial indemnity basis, if opposed; and,
 4. Such further and other relief as counsel may request and this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

The Appointment of the Receiver

1. Spergel was appointed as Receiver of the Property of the Debtor, as defined in the Appointment Order.

The Receiver's Activities

2. Pursuant to the provisions of the Appointment Order, the Receiver filed its First Report dated April 16, 2025, which sought Orders, inter alia, approving the Receiver's activities since its appointment; approving a proposed sale by auction of certain tractors, trailers and vans owned by the Debtor, and granting an Approval and Vesting Order with respect to the sale by auction of such assets owned by the debtor.
3. This Honourable Court granted an Approval and Vesting Order in connection with the proposed sale by auction of certain tractors, trailers and vans owned by the Debtor (the "**Auction AVO**") and Ancillary Order dated May 27, 2025, which, inter alia, approved the sale by auction; authorized the auctioneer to conduct an unreserved public auction; and provided that the Debtor's right, title and interest in and to such assets sold at the auction would vest in the respective purchaser, free and clear of any claims and encumbrances.
4. Following the issuance of the Appointment Order and the granting of the Auction AVO, the Receiver's activities have included, inter alia, the following:
 - a. Dealing with Debtor's purported refinancing;

- b. Handling the sale of the Debtor's assets at auction as approved by the Auction AVO;
 - c. Requested and obtained sales and marketing proposals from two commercial real estate brokerages;
 - d. Requested and obtained a Phase I Environmental Assessment Report from A&A Environmental Consultants Inc.; and,
 - e. Listed the Real Property for sale with Lennard Commercial Realty, Brokerage.
5. The Receiver states that its actions, as outlined in the Second Report, should be approved by this Honourable Court.

The Sale Process and Sale Agreement

6. Paragraph 3(j) of the Appointment Order authorizes the Receiver to market any or all the Property of the Debtor, including advertising and soliciting offers in respect of the Property of the Debtor, and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.
7. Paragraph 3(k) of the Appointment Order authorizes the Receiver to sell the Property of the Debtor, subject to Court approval, having regard to the monetary limits set out therein.
8. Paragraph 3(l) of the Appointment Order authorizes the Receiver to apply for a vesting order, or other orders necessary to convey the Property, or any part or parts thereof to a purchaser, or purchasers thereof, free and clear of any liens or encumbrances affecting such Property.
9. The Receiver received three offers to purchase the Real Property, which were reviewed by the Receiver and the Bank.
10. The Receiver recommends the completion of the Transaction, which resulted from the completed Court approved Sales Process and meets the Soundair principals.

Sealing Order

11. The disclosure of the information contained in the Confidential Appendices could potentially impair the value maximizing purpose of the Sale Process, and the sealing order sought in relation to the Confidential Appendices (i) aligns with the purpose of the Sales Process and the interest promoted therein; (ii) is fair and reasonable in the circumstances;

and (iii) will achieve the desired benefit without unduly impairing the openness of the Court's process

12. Until such time as the Sale Process is completed and the Real Property is sold or until further order of this Court, the Receiver is of the view that the information and documentation contained in the Confidential Appendices should be sealed in order to avoid the negative impact that the dissemination of the confidential information contained therein would have.

Professional Fees

13. The Appointment Order requires the Receiver and its legal counsel to pass its accounts from time to time.
14. The Receiver and its counsel have each properly incurred fees and disbursements as detailed in the Second Report.
15. The Receiver seeks the approval of the Receiver's fees and its counsel's fees, as detailed in the Second Report, and payment of same.

Interim Proposed Distributions

16. **The Receiver properly borrowed funds from the Bank to fund its disbursements during the receivership, which constitutes a priority charge on the Real Property.**
17. **Based on the security opinion provided by the Receiver's counsel, the Receiver has concluded that the first mortgage held by RBC is a first in time charge over the Real Property.**
18. **The Receiver has been provided with a claim from the Wage Earner Protection Program.**
19. **The Receiver seeks the approval of the Proposed Distributions as detailed in the Second Report.**
20. Section 243 and 249 of the *Bankruptcy and Insolvency Act*.
21. Rules 1.04, 2, 3, 37, and 38 of the *Rules of Civil Procedure*.

22. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. The Appointment Order, the Auction AVO and the Ancillary Order dated May 27, 2025;
2. The Second Report of the Receiver dated March 19, 2026, and appendices thereto;
3. Such materials as counsel may advise and this Honourable Court may permit.

March 19, 2026

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ROYAL BANK OF CANADA

v.

1175648 ONTARIO LIMITED

Applicant

Respondent

Court File No. CV-24-00004738-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
BRAMPTON, ONTARIO

AMENDED NOTICE OF MOTION

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