



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-24-00713924-00CL

DATE: March 30, 2026

NO. ON LIST: 3

TITLE OF PROCEEDING: ROYAL BANK OF CANADA v. SARDARA TRANSPORT INC. et al

BEFORE: Justice J. Dietrich

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
	Royal Bank of Canada	

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
	Sardara Transport Inc.	
	2780785 Ontario Inc.	
	Payless Tyres Centre Inc.	

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Alan Nemoy	Proposed Purchaser (Observer)	ahnemoy@goldharnemoy.ca
Thomas Masterson	Counsel for MSI Spergel Inc.	tmasterson@harrisonpensa.com
Manchanda Mukul	MSI Spergel Inc. (Receiver)	mmanchanda@spergel.ca

ENDORSEMENT OF JUSTICE J. DIETRICH:

- [1] msi Spergel inc. (“**Spergel**”), in its capacity as court-appointed Receiver (the “**Receiver**”), of the Respondents, Sardara Transport Inc. (“**Sardara**”), 2780785 Ontario Inc. (“**2780**”), and Payless Tyres Centre Inc. (“**Payless**” and together with Sardara and 2780, the “**Debtors**”) seeks two orders.
- [2] First, an Approval and Vesting Order, is sought, approving the transaction (the “**Transaction**”) contemplated by the Agreement of Purchase and Sale (the “**Sale Agreement**”) between the Receiver, as Vendor, and Dominion Meat Packers Limited, In Trust for a corporation to be incorporated (“**Dominion**”) dated November 18, 2025 as assigned to 551841 Ontario Inc. (the “**Purchaser**”), by an Assignment and Assumption Agreement dated as of February 5, 2026 in respect of the real property municipally known as 13760 Trafalgar Road, Halton Hills, Ontario (the “**Real Property**”).
- [3] Second, an Ancillary Order is sought, (i) approving the First Report of the Receiver dated February 27, 2026 (the “**First Report**”), the interim statement of receipts and disbursements attached thereto and the Receiver's activities as set out therein; (ii) approving the fees and disbursements of the Receiver and its counsel as set out in the First Report; (iii) sealing and the confidential appendices to the First Report (the “**Confidential Appendices**”) until closing of the Transaction or further Order of the Court; and (iv) approving the Proposed Distribution, as defined in the First Report.
- [4] No opposition to the relief sought was raised today.
- [5] Defined terms used but not otherwise defined herein have the meaning provided to them in the Factum of the Receiver filed for use on this motion.
- [6] The Receiver was appointed pursuant to an order dated April 17, 2024.
- [7] 2780 is the owner of the Real Property. Sardara was a transportation, logistics service and management solutions provider that shipped, stored and managed freight needs worldwide. Payless offered truck repair services.
- [8] The Receiver was advised by the Debtors that the business operations of both Sardara and Payless had ceased well and that all rolling stock assets had been returned to either lessors or secured parties prior to the receivership.
- [9] After requesting sales and marketing proposals from three real estate brokers, the Receiver entered into a listing agreement with Avison Young Commercial Real Estate Service, LP Brokerage (“**Avison**”) dated July 31, 2024 (the “**Listing Agreement**”) for the marketing and sale Real Property.
- [10] Avison, listed the Real Property on MLS, conducted email marketing blasts, developed a marketing brochure, installed a for sale sign the Real Property, exposed the Real Property for sale on its website and social media and developed a data room.
- [11] The Sales Process resulted in 22 interested parties making enquiries, 12 parties executing confidentiality agreements to access the data room, and a number of parties touring the Real Property. Ultimately, two offers were received to purchase the Real Property. Of the two offers received, the Receiver determined that the offer from Dominion would result in the highest realization and would be the most appropriate

transaction for the benefit of the stakeholders. The Receiver therefore ultimately entered into the Sale Agreement.

- [12] The principles to be applied when determining whether to approve a sale transaction were articulated by the Ontario Court of Appeal in *Royal Bank of Canada v. Soundair Corp.*, 1991 CanLII 2727 (“*Soundair*”): (a) whether the receiver has made sufficient effort to obtain the best price and has not acted improvidently; (b) the efficacy and integrity of the process by which offers have been obtained; (c) whether the interests of all parties have been considered; and (d) whether there has been unfairness in the working out of the process. Further, as set out in *Soundair*, the Court should accept the recommendation of Receiver in respect of sale in all but exceptional circumstances.
- [13] I am satisfied that the *Soundair* principles have been satisfied in this case and the Transaction should be approved. The Sale Process was conducted in a robust, fair, reasonable and transparent manner. The Receiver’s efforts resulted in entering into the Sale Agreement which, in the Receiver’s view, is highest deal certainty, has the shortest time to close and maximizes recovery, and therefore is in the best interests of the estate and its stakeholders. The Receiver’s evidence is that further marketing of the Real Property is not expected to result in increased realizations. The Debtor’s senior secured creditor, RBC, supports the Transaction.
- [14] The Receiver is proposing to make the Proposed Distribution (after payment of the fees of the Receiver and the Receiver’s Counsel including a hold back for the Fee Accrual outlined in this First Report), as follows: a) to RBC for repayment of the Receiver’s Borrowing in the amount of \$60,000.00 plus interest thereon in accordance with the Receiver’s Borrowing Certificate; b) to The Corporation of the City of Burlington for all property tax arrears; and c) balance of any and all funds in the Debtor’s estate to RBC on account of the Debtor’s secured indebtedness to RBC. It is anticipated that RBC will suffer a shortfall, and accordingly there will be no funds available for distribution to any other stakeholders.
- [15] RBC holds a mortgage in the principal amount of \$2.6 million registered on the Real Property. The Mortgage secures amounts owing to RBC by 2780 directly of over \$1.7 million along with certain indebtedness of Sardara (of over \$2.6 million) which was guaranteed by 2780. The Receiver has received an opinion from independent counsel that the security of RBC is valid and enforceable, subject to customary qualifications and assumptions.
- [16] All other creditors who have registered a security interest and the CRA have been served. As noted above, there is no opposition to the relief requested today.
- [17] The request to approve the First Report is not unusual and there are good policy and practical reasons for doing so: see *Laurentian University of Sudbury*, 2022 ONSC 2927 at paras. 13-14, citing *Target Canada Co. (Re)*, 2015 ONSC 7574 at paras. 2, 12, 22. The observations in those cases while made in the context of a *Companies’ Creditors Arrangement Act* proceeding apply to the activities of a court appointed receiver: see *Triple-I Capital Partners Limited v 12411300 Canada Inc*, 2023 ONSC 3400 at para 66.
- [18] No opposition to the approval of the First Report has been raised and the approval of the First Report, including the interim statement of receipts and disbursements attached thereto is appropriate in the circumstances as the Receiver has acted reasonably and in good faith. The draft order provided contains the typical language that only the Receiver is entitled to rely on the approval.

- [19] The Receiver also seeks approval of the fees and disbursements of the itself and its legal counsel, as set out in the First Report. In this respect, as the Court of Appeal for Ontario held in *Bank of Nova Scotia v Diemer* 2014 ONCA 851 at paras 33 and 45, this Court does not undertake a line-by-line analysis of the invoices. Rather, the guiding principles on fee approvals of this nature are whether the fees are fair, reasonable, and proportionate given the value of the Property and liabilities as well as the complexity of the Proceeding. In considering these guiding principles, the fees of the Receiver and its counsel are appropriate and are approved. The Fee Accrual is appropriate from the perspective of the Proposed Distribution, but any subsequent fees and expenses of the Receiver (other than those specifically set out in the fee affidavits attached to the First Report) are subject to further approval of this Court.
- [20] The limited sealing order being sought is necessary to preserve the Receiver's ability to maximize the value of the Real Property in the event of the Transaction does not close. I am satisfied that the requested sealing order for the confidential appendices to the First Report (being a certain appraisals, listing proposals and information regarding offers for the Real Property including an unredacted version of the APS) meets the test in *Sherman Estate v. Donovan* 2021 SCC 25 at para 38 and that disclosure of this information would pose a risk to the public interest in enabling stakeholders of a company in receivership to maximize the realization of assets. The Receiver is directed to follow the applicable guidelines for the filing of sealed material with the court, and to eventually apply, at the appropriate time, for an unsealing order, if necessary.
- [21] Orders to go in the form signed by me this day.



Date: Mar 30, 2026

Justice J. Dietrich