

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

B E T W E E N:

**ROYAL BANK OF CANADA**

Applicant

- and -

**INTERNATIONAL TRUCKING INCORPORATED and 1000563626 ONTARIO INC.**

Respondents

**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**

**FACTUM OF THE APPLICANT, ROYAL BANK OF CANADA  
(returnable May 21, 2026)**

May 20, 2026

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## **PART I – NATURE OF THE APPLICATION**

1. The Applicant, Royal Bank of Canada (“**RBC**” or the “**Lender**”), makes an application for an Order (the “**Receivership Order**”) appointing msi Spergel Inc. (“**Spergel**”) as receiver (in such capacity, the “**Receiver**”), without security, of all the assets, properties and undertakings of International Trucking Incorporated (“**ITI**”) and 1000563626 Ontario Inc. (“**626**” and together with ITI, the “**Debtors**”) acquired for or used in relation to the business carried on by the Debtors and all proceeds thereof (collectively, the “**Property**”).

2. The Debtors owe RBC approximately \$11 million in principal and interest (plus costs and accruing interest) on a general secured basis.

3. Following the defaults of the Debtors under their credit arrangements with RBC, the lending relationship has been characterized by overpromises and proposals that never materialized. Prior to RBC bringing this Application, the Debtors have provided numerous term sheets and proposals from several lenders. None of these transactions successfully closed.

4. On April 1, 2026, the parties timetabled this application, consenting to the return date. Rather than defending this Application, the Debtors lobbed a series of proposals to RBC to address their outstanding indebtedness.

5. RBC considered each of these proposals, and determine that none of the proposals were satisfactory. Further, RBC is not confident that a CCAA proceeding will benefit the stakeholders of the Debtors, nor is it confident that a workout is truly achievable.

6. The Indebtedness of the Debtors has stagnated since May 2025 and continues to atrophy.

7. RBC's security package includes the contractual right to the appointment of a receiver, and it is respectfully submitted that such appointment is just and convenient in this case. In fact, there is no viable alternative before the Court to the appointment of a receiver here, lest the business continues to depreciate and stakeholders become increasingly prejudiced.

## **PART II – SUMMARY OF FACTS**

### **Background and RBC's Lending Arrangements with the Debtors**

8. The Debtors operate as a trucking and logistics company across North America. Zoran Matkovic ("**Mr. Matkovic**") is the sole director of both of the Debtors.

**Affidavit of Adam Haugh sworn January 28, 2026 [Haugh Affidavit] at paras. 3-5, Tab 4 of RBC's Application Record dated March 18, 2026 (Case Center at [A566](#)).**

9. 626 is the registered owner of the real property municipally known as 1439 Gingerich Road, Wilmot, Ontario (the "**Real Property**").

**Haugh Affidavit, *supra* at para. 18 (Case Center at [A569](#)).**

10. ITI is indebted to RBC in connection with certain credit facilities made available by RBC to ITI pursuant to and under the terms of, among other things: (i) a credit agreement between RBC and ITI, dated June 27, 2022, as subsequently amended and restated pursuant to an Amending Letter Agreement dated July 20, 2023 (the "**Primary Credit Agreement**"), (ii) a Master Lease Agreement between RBC and ITI, dated July 8, 2022 (the "**MLA**"), and (iii) an RBC Royal Bank Visa Business Card Agreement between RBC and ITI, dated June 28, 2022 (the "**Visa Card Agreement**" and collectively with the Primary Credit Agreement and the MLA, the "**ITI Credit Agreements**").

**Haugh Affidavit, *supra* at para. 13 (Case Center at [A568](#)).**

11. 626 is indebted to the Lender with respect to a certain term loan made available by the Lender to 626 pursuant to and under the terms of a credit agreement dated July 20, 2023 (as same may have been amended, replaced, restated or supplemented from time to time, the “**626 Credit Agreement**” and, together with the ITI Credit Agreements, the “**Credit Agreements**”).

**Haugh Affidavit, *supra* at para. 17 (Case Center at [A569](#)).**

12. Each Debtor cross-guaranteed the obligations of the other pursuant to limited Guarantee and Postponement of Claim agreements, and Mr. Matkovic guaranteed the obligations of each of the Debtors pursuant to limited Guarantee and Postponement of Claim agreements (collectively, the “**Guarantees**”).

**Haugh Affidavit, *supra* at paras. 16 and 19 (Case Center at [A569](#) and [A570](#)).**

13. To secure their obligations to RBC, the Debtors provided security to the Lender including, without limitation:

- (a) a general security agreement dated June 28, 2022 granted by ITI to the Lender (the “**ITI GSA**”);
- (b) a general security agreement dated August 21, 2023 granted by 626 to the Lender (the “**626 GSA**” and together with the ITI GSA, the “**GSAs**”);
- (c) a mortgage in the principal amount of \$6,252,000 (the “**Charge**”) granted by 626 over the Real Property.

(collectively, the “**Security**”)

**Haugh Affidavit, *supra* at paras. 15, 18 (Case Center at [A569](#)).**

14. Where necessary, registrations of the Security were made pursuant to the *Personal Property Security Act* (Ontario) (the “PPSA”) or on title to the Real Property. As such, the Lender has perfected security interests in the personal property of each of the Debtors, as secured by the Security.

**Haugh Affidavit, *supra* at paras. 18, 21-22 (Case Center at [A569](#), [A570](#)).**

15. While the PPSA registration system discloses certain additional registrations, they are subordinate to the Lender’s security interests or otherwise relate to the lease of certain equipment used by the Debtors and do not impact the Lender’s first-in-time position as an all-asset registrant against the personal property of the Debtors.

**Haugh Affidavit, *supra* at para. 21 (Case Center at [A570](#)).**

16. Each of the GSAs and the Charge stipulate that RBC can appoint a receiver over the Property of the Debtors in the face of a default therein.

**Haugh Affidavit, *supra* at para. 23, Exhibit “H” (Case Center at [A571](#), [A718](#)).**

### **The Defaults**

17. The Debtors failed to uphold their obligations under the Credit Agreements and the numerous defaults thereunder are fully set out in paragraphs 25-28 of the Haugh Affidavit. Following these numerous defaults, RBC has lost complete confidence in the management of the Debtors.

**Haugh Affidavit, *supra* at paras. 24, 25-28 (Case Center at [A571](#), [A572](#)).**

18. Since November 2024 until materials were served in this proceeding, the Debtors have refused to provide adequate transparency to RBC to work cooperatively. In November 2024,

RBC proposed a forbearance agreement to the Debtors to permit a reasonable amount of time to refinance with another lender. A term of the proposed forbearance agreement was that Spergel would be engaged as a financial advisor to, among other things, provide RBC with transparency into the Debtors' financial situation. The Debtors did not agree to the forbearance agreement as they were not agreeable to providing Spergel access to the books and records in its capacity as a financial advisor.

**Haugh Affidavit, *supra* at paras. 29-30 (Case Center at [A573](#)).**

19. RBC did not proceed with enforcement of its security at this time because: (i) the then existing excesses were covered through cash flow and an injection of funds provided by a shareholder of the Debtors, (ii) the Debtors represented that they were actively approaching other lenders for refinancing, and (iii) the Debtors advised that refinancing would be secured by March 31, 2025.

**Haugh Affidavit, *supra* at para. 31 (Case Center at [A573](#)).**

### **The Demands**

20. However, the Debtors advising that the refinancing was to be secured by March 31, 2025, it did not come to fruition.

**Haugh Affidavit, *supra* at para. 31 (Case Center at [A573](#)).**

21. On June 6, 2025 and June 18, 2025, the Lender proceeded to make formal written demands on the Debtors and Mr. Matkovic for the payment of their obligations under the Credit Agreements and Guarantees (the "**Demand Letters**"). The Demand Letters sent to the Debtors were accompanied by Notices of Intention to Enforce Security (the "**BIA Notices**") pursuant to

subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”).

**Haugh Affidavit, *supra* at paras. 39-40 and Exhibit N, O (Case Center at [A578](#)).**

22. Despite the issuance of the Demand Letters and BIA Notices, the Debtors have failed to honour the Demand Letters or make satisfactory arrangements with the Lender to repay, or enter into an agreement to satisfy, amounts owing under the Credit Agreements.

**Haugh Affidavit, *supra* at para. 49 (Case Center at [A581](#)).**

23. Pursuant to the ITI Credit Agreements, in June 2025, ITI was directly indebted to RBC of \$5,758,821.00, comprising of: (i) \$3,311,206.27 regarding an operating loan and Visa facilities, and (ii) \$2,447,614.73 regarding a revolving lease line and certain auto finance term loans. Pursuant to the 626 Credit Agreement, 626 is directly indebted to RBC as of August 26, 2025 for CAD \$5,109,255.36. Therefore, pursuant to the Credit Agreements and Guarantees, the Debtors collectively owe RBC CAD \$10,868,076.36, plus any further accrued interest and costs (the “**Indebtedness**”).

**Haugh Affidavit, *supra* at paras. 42-44 (Case Center at [A579](#)).**

24. As of May 20, 2026, the Indebtedness totals \$10,753,010.45: (i) \$5,392,368.19 is owing by ITI, and (ii) \$5,360,642.26 is owing by 626.

**Supplemental Affidavit of Adam Haugh sworn May 20, 2026 [*Supplemental Haugh Affidavit*] at para. 8.**

25. The Indebtedness remains outstanding.

**Supplemental Haugh Affidavit, *supra* at para. 9.**

**The Debtors' Post-Demand Conduct**

26. Following the issuance of the Demand Letters, the nature of the deposits into the Debtors' operating accounts shifted to infrequent deposits of large round numbers, rather than ongoing deposits from clients.

**Haugh Affidavit, *supra* at para. 48 (Case Center at [A581](#)).**

27. At the time, monthly deposits into the Debtors' accounts were on average approximately \$3,000,000. As of October 2025, the average deposits into the account decreased to \$170,000.

**Haugh Affidavit, *supra* at para. 47 (Case Center at [A580](#)).**

28. Beginning in March 2025, Mr. Matkovic made continued assurances to RBC that funds would soon be deposited into the overdrawn bank account and that "*everything is sent to the new lender*" and that he was hoping to have an answer "*by the beginning of next week*".

**Haugh Affidavit, *supra* at para. 32 (Case Center at [A574](#)).**

29. Since this email exchange, the Debtors repeatedly represented to RBC that financing from another lender sufficient to repay the entirety of the Debtors' obligations to RBC was imminent.

**Haugh Affidavit, *supra* at para. 33 (Case Center at [A575](#)).**

30. Now, more than a year over these representations (which have continued) a lender willing to repay the Indebtedness was never found. The Debtors repeatedly provided deadlines by which alternate financing was to be secured, only for those deadlines to be missed.

**Haugh Affidavit, *supra* at paras. 33, 34 (Case Center at [A575](#)).**

31. The Debtors have repeatedly failed to secure refinancing in accordance with the timelines that they set. Paragraphs 35 and 36 on pages 10-13 of the Haugh Affidavit detail the numerous promises of refinancing by the Debtors.

**Haugh Affidavit, *supra* at para. 48 (Case Center at [A581](#)).**

32. The recent significant reduction of accounts receivable of the Debtors, from approximately \$6,225,000 in June 2025 to \$3,502,084, at the end of August, is concerning as it suggests either a reduction in business or a dissipation of assets.

**Haugh Affidavit, *supra* at para. 48 (Case Center at [A581](#)).**

33. The Lender has further provided the Debtors with sufficient opportunities to honour their obligations. The Lender is extremely concerned that the value of the Property will degrade over the coming months, including that all available evidence provides that the collateral will be used for purposes other than repaying the Lender as required by the Credit Agreements and the related Security.

**Haugh Affidavit, *supra* at para. 54 (Case Center at [A582](#)).**

34. At this stage, the Lender considers a receivership as the only reasonable and prudent path forward. The Debtors have had ample opportunity to refinance, however, no realistic refinancing proposal has materialized. Ultimately, without a Court-ordered receiver, there does not appear to be any realistic prospect of resolution to address the Indebtedness owing to RBC.

### PART III – ISSUE

35. The sole issue to be determined on this application is whether it is just and convenient for this Court to appoint Spergel as receiver over the Property.

### PART IV – LAW AND ARGUMENT

36. RBC seeks the appointment of a receiver pursuant to subsection 243(1) of the BIA and section 101 of the *Courts of Justice Act* (Ontario) (the “CJA”). Both statutes enable the Court to appoint a receiver and manager where such appointment is “*just or convenient.*”

**BIA, s 243(1); CJA, s 101.**

37. In determining whether it is “*just or convenient*” to appoint a receiver under either the BIA or CJA, Ontario courts have applied the decision of The Honourable Mr. Justice Blair in *Freure Village*. In that case, His Honour confirmed that, in deciding whether the appointment of a receiver is just or convenient, the court “*must have regard to all of the circumstances but in particular the nature of the property and the rights and interests of all parties in relation thereto,*” which includes the rights of the secured creditor under its security.

*Bank of Nova Scotia v. Freure Village of Clair Creek* (1996), 40 C.B.R. (3d) 274, [1996] O.J. No. 5088 at para. 10 (Gen. Div. [Comm. List]) [*Freure Village*] (CanLII: <http://canlii.ca/t/1wbtz>).

38. When the rights of the secured creditor under its security include a specific right to the appointment of a receiver (as in the present case), the burden on the applicant seeking the relief is relaxed. Indeed, The Honourable Mr. Chief Justice Morawetz held in *Elleway Acquisitions* that:

[W]hile the appointment of a receiver is generally regarded as an extraordinary equitable remedy, courts do not regard the nature of the remedy as extraordinary or equitable where the relevant security document permits the appointment of a receiver. This is because the applicant is merely seeking to enforce a term of an agreement that was assented to by both parties.

*Elleway Acquisitions Limited v. The Cruise Professionals Limited*, 2013 ONSC 6866 [Comm. List] at para. 27 [*Elleway Acquisitions*] (CanLII: <http://canlii.ca/t/g22q3>).

39. More recently, The Honourable Mr. Justice Osborne echoed this holding in *iSpan Systems*:

Where the rights of the secured creditor include, pursuant to the terms of its security, the right to seek the appointment of a receiver, the burden on the applicant is lessened: while the appointment of a receiver is generally an extraordinary equitable remedy, the courts do not so regard the nature of the remedy where the relevant security permits the appointment and as a result, the applicant is merely seeking to enforce a term of an agreement already made by both parties [citations omitted].

*iSpan Systems LP*, 2023 ONSC 6212 [Comm. List] at para. 31 [*iSpan Systems*] (CanLII: <https://canlii.ca/t/k0x62>).

40. Where the conduct of the debtor has led directly to a receivership application, the Court should place limited to no weight on objections from the debtor as to whether a receivership is the best remedy for the secured creditor.

*GE Commercial Distribution Finance Canada v. Sandy Cove Marine Company Limited*, 2011 ONSC 3851 at para. 23. (CanLII: <https://canlii.ca/t/fm2kl>).

41. RBC submits that the test for the appointment of a receiver is met. Pursuant to the Security, RBC is contractually entitled to have a receiver appointed upon the nonpayment of any principal or interest when due. Such an event has occurred and the appointment of a receiver is no longer an extraordinary remedy; it is simply the result of enforcing a contractual term that was mutually assented to by the Debtors and RBC.

Haugh Affidavit, *supra* at paras. 17 and 53 (Case Center at [A569](#) and [A581](#)).

42. More than a reasonable amount of time has elapsed since the issuance of the Demand Letters and BIA Notices for the Debtors to repay or make arrangements to repay RBC. The absence of any developments in financing should not bar RBC, as a secured creditor, from exercising the rights that are afforded to it under its Security.

*Bank of Montreal v. Carnival National Leasing Limited*, 2011 ONSC 1007, 74 C.B.R. (5th) 300, [2011] O.J. No. 671 at [para. 13](#) (Gen. Div. [Comm. List]) [*Carnival Leasing*] (CanLII: <https://canlii.ca/t/2fqm3>).

43. RBC wishes to take any and all steps necessary to enforce its security and realize on same and the appointment of Spergel as receiver is necessary for the protection of the Debtors' estates and the interests of RBC as a secured creditor.

44. There is no reasonable alternative to a receivership here. The Debtors have not presented any reasonable path to resolve these proceedings and the Indebtedness remains outstanding.

#### **PART V – RELIEF REQUESTED**

45. In light of the foregoing, it is respectfully submitted that this Court should grant the Receivership Order.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED** this 20th day of May, 2026.



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**SCHEDULE “A”****AUTHORITIES CITED**Jurisprudence

1. [\*Bank of Montreal v. Carnival National Leasing Limited\*](#), 2011 ONSC 1007, 74 C.B.R. (5th) 300, [2011] O.J. No. 671 (Gen. Div. [Comm. List]).
2. [\*Bank of Nova Scotia v. Freure Village of Clair Creek\*](#) (1996), 40 C.B.R. (3d) 274, [1996] O.J. No. 5088 (Gen. Div. [Comm. List]).
3. [\*Elleway Acquisitions Limited v. The Cruise Professionals Limited\*](#), 2013 ONSC 6866 [Comm. List].
4. [\*iSpan Systems LP\*](#), 2023 ONSC 6212 [Comm. List].
5. [\*GE Commercial Distribution Finance Canada v. Sandy Cove Marine Company Limited\*](#), 2011 ONSC 3851.

**Certificate of Authenticity**

I, Shaun Parsons, am satisfied as to the authenticity of every authority cited in the factum, in accordance with Rule 4.06.1(2.1) of the *Rules of Civil Procedure*, R.R.O., 1990, Reg. 194.

May 20, 2026



DATE

Shaun Parsons

**SCHEDULE “B”  
TEXT OF STATUTES, REGULATIONS & BY-LAWS**

**Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended, s. 243**

**Court may appoint receiver**

**243** (1) Subject to subsection (1.1), on application by a secured creditor, a court may appoint a receiver to do any or all of the following if it considers it to be just or convenient to do so:

- (a) take possession of all or substantially all of the inventory, accounts receivable or other property of an insolvent person or bankrupt that was acquired for or used in relation to a business carried on by the insolvent person or bankrupt;
- (b) exercise any control that the court considers advisable over that property and over the insolvent person’s or bankrupt’s business; or
- (c) take any other action that the court considers advisable.

**Restriction on appointment of receiver**

(1.1) In the case of an insolvent person in respect of whose property a notice is to be sent under subsection 244(1), the court may not appoint a receiver under subsection (1) before the expiry of 10 days after the day on which the secured creditor sends the notice unless

- (a) the insolvent person consents to an earlier enforcement under subsection 244(2); or
- (b) the court considers it appropriate to appoint a receiver before then.

**Definition of receiver**

(2) Subject to subsections (3) and (4), in this Part, receiver means a person who

- (a) is appointed under subsection (1); or
- (b) is appointed to take or takes possession or control of all or substantially all of the inventory, accounts receivable or other property of an insolvent person or bankrupt that was acquired for or used in relation to a business carried on by the insolvent person or bankrupt under
  - (i) an agreement under which property becomes subject to a security (in this Part referred to as a “security agreement”), or
  - (ii) a court order made under another Act of Parliament, or an Act of a legislature of a province, that provides for or authorizes the appointment of a receiver or receiver-manager.

**Definition of receiver — subsection 248(2)**

(3) For the purposes of subsection 248(2), the definition receiver in subsection (2) is to be read without reference to paragraph (a) or subparagraph (b)(ii).

### **Trustee to be appointed**

(4) Only a trustee may be appointed under subsection (1) or under an agreement or order referred to in paragraph (2)(b).

### **Place of filing**

(5) The application is to be filed in a court having jurisdiction in the judicial district of the locality of the debtor.

### **Orders respecting fees and disbursements**

(6) If a receiver is appointed under subsection (1), the court may make any order respecting the payment of fees and disbursements of the receiver that it considers proper, including one that gives the receiver a charge, ranking ahead of any or all of the secured creditors, over all or part of the property of the insolvent person or bankrupt in respect of the receiver's claim for fees or disbursements, but the court may not make the order unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations.

### **Meaning of disbursements**

(7) In subsection (6), disbursements does not include payments made in the operation of a business of the insolvent person or bankrupt.

### **Courts of Justice Act, R.S.O. 1990, c. C-34, as amended, s. 101**

### **Injunctions and receivers**

**101** (1) In the Superior Court of Justice, an interlocutory injunction or mandatory order may be granted or a receiver or receiver and manager may be appointed by an interlocutory order, where it appears to a judge of the court to be just or convenient to do so.

**ROYAL BANK OF CANADA**

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Respondents

Court File No. CL-26-00000101-0000

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

**Proceedings commenced at Toronto**

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