

Court File No.: CV-24-00713924-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

SARDARA TRANSPORT INC., 2780785 ONTARIO INC.,  
and PAYLESS TYRES CENTRE INC.

Respondents

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## **FACTUM OF THE RECEIVER**

**(Receiver's Motion for Approval and Vesting Order returnable March 30, 2026)**

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March 18, 2026

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TO: SERVICE LIST

## PART I – NATURE OF MOTION

This is a motion by msi Spergel inc. (“**Spergel**”), in its capacity as court-appointed Receiver (in such capacity, the “**Receiver**”), appointed pursuant to an order of the Ontario Superior Court of Justice – Commercial List (the “**Court**”) dated April 17, 2024 (the “**Appointment Order**”) of the Property (as defined in the Appointment Order) 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**”) for, *inter alia*, the following relief:

1. An Approval and Vesting Order, substantially in the form attached to the Notice of Motion at Schedule “A” (the “**Approval and Vesting Order**”), approving the transaction (the “**Transaction**”) contemplated by the Agreement of Purchase and Sale (the “**Sale Agreement**”) contained in the First Report of the Receiver dated February 27, 2026 (the “**First Report**”) and the confidential appendices to the First Report (the “**Confidential Appendices**”), and vesting all of the right, title and interest in and to the Real Property (as defined below) absolutely in and to the purchaser (the “**Purchaser**”), free and clear of any claims and encumbrances, save and except for the Permitted Encumbrances, as defined in the Sale Agreement;
2. An Ancillary Order, substantially in the form attached to the Notice of Motion at Schedule “B” (the “**Ancillary Order**”), for among other related relief:
  - a) abridging the time for service, filing and confirmation of the Notice of Motion and the Motion Record, and validating service so that this motion is properly returnable on March 30, 2026, and dispensing with further service and confirmation thereof;
  - b) approving the First Report, and the activities and conduct of the Receiver set out therein;
  - c) sealing the Confidential Appendices until the completion of the Transaction, or until a further order of this Court;

- d) approving the Receiver's Interim Statement of Receipts and Disbursements, as detailed in the First Report, and the fees and disbursements of the Receiver and its counsel, Harrison Pensa LLP, and authorizing payment of same; and,
  - e) approving the Fee Accrual and the Proposed Distribution, both as defined in the First Report and herein.
3. It is the position of the Receiver that that the actions of the Receiver and the Transaction sought should be approved as:
- a) The Transaction represents a commercially reasonable transaction which meets the principles of *Soundair*, and is a result of the Receiver completing a Sales Process (as defined herein) which meets the principles of *Crate Marine*;
  - b) The Sales Process included the marketing of the Property with the professional broker Colliers for a period of 18 and ½ months, which resulted in substantial market exposure and interest;
  - c) The Sale Agreement has the highest deal certainty, with the Purchaser securing financing and already conducting significant due diligence, and is only conditional on Court approval;
  - d) The Receiver's actions as reported in the First Report were reasonable and were conducted within the ambit of its court-appointed powers;
  - e) The fees and disbursements of the Receiver and its counsel are reasonable in the circumstances and should be approved;
  - f) The Fee Accrual is reasonable to facilitate the Receiver completing the remaining steps and finalize its mandate after completion of the Transaction; and,
  - g) The Proposed Distribution follows a priority scheme and is reasonable.

## PART II – THE FACTS

### Background

4. 2780 is the owner of the real property municipally known as 13760 Trafalgar Road, Halton Hills, Ontario (the “**Real Property**”).

***First Report of the Receiver dated February 27, 2026 (the “First Report”), para 3.***

5. Sardara was a transportation, logistics service and management solutions provider that ships, stores and manages freight needs worldwide. Payless offered truck repair services.

***First Report, para 4.***

6. Upon application of the Royal Bank of Canada (“**RBC**”), the Honourable Justice Osborne issued the Appointment Order, appointed Spergel as Receiver over all of the assets, undertakings, and properties of the Debtors acquired for, or used in relation to the businesses carried on by the Debtors, including the Real Property, and all proceeds thereof (the “**Property**”).

***First Report, paras 5 - 8 and Appendices “1” - “5” thereto.***

7. The Receiver was advised by the Debtors that the business operations of both entities had ceased well before the Appointment Order, and that all rolling stock assets had been returned to either lessors or secured parties prior to the receivership.

***First Report, para 17.***

### The Receivers Activities

8. Since the date of its appointment, the Receiver has attended to, *inter alia*, the following:
  - a. Arranging for the registration of the Appointment Order on title to the Real Property;
  - b. Communicating with the tenant of the house and barn on the Real Property and collecting rents;

- c. Engaging a property manager to regularly inspect the Real Property as required by the insurer, and to generally manage the Real Property;
- d. Arranging for a Phase 1 Environmental Assessment of the Real Property;
- e. Obtaining two (2) full narrative appraisals of the Real Property;
- f. Obtaining two (2) sales and marketing proposals from separate commercial real estate brokerages;
- g. Entering into a multiple listing service (“**MLS**”) 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;
- h. Overseeing the Sales Process as carried out by Avison Young and reviewing offers received; and,
- i. Finalizing the Sale Agreement.

***First Report, paras 14 and 15, and Confidential Appendix “1” – “8” thereto.***

#### The Sales Process

9. The Receiver engaged the services of Colliers International Realty Advisors Inc. (“**Colliers**”) and Cushman & Wakefield ULC Valuation & Advisory (“**CWVA**”) to attend at and conduct full narrative appraisals of the Real Property.

***First Report, para 20 and Confidential Appendices “1”- “2” thereto.***

10. The Receiver request and obtained sale and marketing proposals from Avison, Cushman & Wakefield ULC (“**Cushman**”) and Lee & Associates (“**Lee**”).

***First Report, para 21 and Confidential Appendices “3” – “5” thereto.***

11. The Receiver and Avison did enter into the Listing Agreement as Avison’s commission structure was commercially reasonable, and the skill set of Avison would garner optimum recovery.

***First Report, para 22 and Appendices “6” – “7” thereto.***

12. Avison widely marketed the Real Property by:
  - a. Listing the Real Property on MLS and Realtor.ca;

- b. Reaching out to multiple contacts through 9 separate email blasts;
- c. Developing a comprehensive marketing brochure;
- d. Installing a for sale sign on site at the Real Property;
- e. Using its website and other social media to further expose the Real Property to the market; and,
- f. Developing a comprehensive data room  
(the “**Sales Process**”).

***First Report, para 23 and Confidential Appendix “6” thereto.***

13. 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.

***First Report, paras 23 and 24 and Confidential Appendices “6” and “7” thereto.***

14. The Receiver is of the view that the market for the Real Property was extensively canvassed pursuant to Avison’s marketing efforts, in accordance with professional and industry standard.

***First Report, para 28.***

15. The Receiver determined that the Dominion Offer (as defined in the First Report) would net the highest realization and be the most appropriate transaction for the benefit of the stakeholders. The Receiver therefore accepted the Dominion Offer, subject to approval of the Court.

***First Report, para 25.***

16. The benefits of proceeding with the Transaction include:
- a. The Transaction has the highest deal certainty, with the Purchaser securing financing and already conducting significant due diligence;
  - b. The Sale Agreement is on an “as-is, where-is” basis, conditional only upon the issuing of the Approval and Vesting Order by the Court;

- c. The Transaction is supported by RBC as the senior secured creditor of the Debtors; and
- d. The Receiver will be in a position to complete the administration of the estate in a timely and cost-effective manner following the closing of the Transaction.

***First Report, paras 26, 27 and 30, Appendix "8" and Confidential Appendix "8" thereto.***

17. Accordingly, the Receiver respectfully requests the Court to approve the Transaction.

***First Report, para 31.***

#### Confidential Appendices and Sealing Order

18. The Receiver is of the view that the information and documentation contained in the Confidential Appendices concern commercially sensitive information which should be sealed in order to avoid the negative impact that the dissemination of said confidential information would have if the Transaction is not completed. The Receiver therefore is seeking a sealing order in respect of the Confidential Appendices until such time as the Transaction is complete, or until further order of this Court.

***First Report, para 40.***

#### Professional Fees and Disbursements

19. The Receiver and its counsel have properly incurred fees and disbursements as detailed in the First Report (the "**Professional Fees**"), which are reasonable and should be approved.

***First Report, paras 41 – 47 and Appendices "10" and "11" thereto.***

#### Statement of Receipts and Disbursements

20. The Receiver's Interim Statement of Receipts and Disbursements as of December 31, 2025, is appended to the First Report, and it is the Receiver's position that such receipts and disbursements are reasonable and should be approved.

***First Report, para 48 and Appendix "12" thereto.***

Fee Accrual

21. Provided there is no opposition to the relief sought in this First Report and that such relief is granted, the Receiver estimates that the costs to complete the Transaction, if approved, and complete the administration of the estate should not exceed \$150,000.00 plus disbursements and HST and as such the Receiver is seeking approval to hold back this sum pending completion of all matters and the Receiver's discharge (the "**Fee Accrual**").

*First Report, para 47.*

Proposed Distribution

32. Pursuant to paragraph 21 of the Receivership Order, the Receiver borrowed funds from the Bank in the amount of \$60,000.00 (the "**Receiver's Borrowing**") to fund its disbursements during the receivership.

*First Report, para 49 and Appendix "13" thereto.*

38. Further pursuant to paragraph 21 of the Receivership Order, the issuance of the Receiver's Certificate has the effect of creating a charge on the Property, by way of a fixed and specific charge as security for the repayment of the monies borrowed, together with interest and charges thereon, in priority to all statutory interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (as defined in the Receivership Order) over the property of the Debtor in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (as defined in the Receivership Order) but subordinate to the Receiver's Charge (as defined in the Receivership Order) and the charges set out in subsections 14.06(7), 81.4(4) and 81.6(2) of the BIA.

*First Report, para 50.*

40. The Receiver has concluded that the first mortgage held by RBC is a first in time charge over the Real Property subject to the claims under the Receivership Order.

*First Report, paras 51-52 and Appendix "15" thereto.*

41. The Receiver has not been provided with any claims from Canada Revenue Agency nor from the Wage Earner Protection Plan program. The Receiver also obtained Writ

Certificates dated February 5, 2026, with respect to the Debtors from the Sheriff's offices in both the Regional Municipality of Halton (Milton) and the Regional Municipality of Peel (Brampton), which were both clear.

***First Report, paras 53-54.***

42. On the basis of the foregoing, the Receiver is proposing to make a distribution (after payment of the fees of the Receiver and the Receiver's Counsel including the Fee Accrual (as defined herein) outlined in this First Report, as follows (the "**Proposed Distribution**"):

- 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

(the "**Proposed Distribution**").

**PART III – ISSUES**

22. The issues before this Honourable Court are whether to:

- a) approve the Sale Agreement and grant the Approval and Vesting Order;
- b) seal the Confidential Appendices;
- c) approve the First Report, and the activities and conduct of the Receiver set out therein;
- d) approve the Receiver's Interim Statement of Receipts and Disbursements;
- e) approve the Professional Fees;
- f) approve the Fee Accrual;
- g) approve the Proposed Distribution; and,

- h) abridging the time for service and filing of the Motion Record.

#### **PART IV – THE LAW AND ARGUMENT**

##### **a) The Sale Agreement Should be Approved**

23. It is well established that the Court places a large degree of confidence in the actions taken and in the opinions formed by a receiver. The Court assumes that a receiver is acting properly unless the contrary is clearly shown and is reluctant to second guess the considered business decisions made by the receiver.

[\*Royal Bank of Canada v. Soundair Corp., 1991 CanLII 2727 \(ON CA\), at para 14.\*](#)

24. The Court of Appeal summarizes the principles applicable when reviewing a sale by a court-appointed receiver as follows:

Underlying these considerations are the principles the courts apply when reviewing a sale by a court-appointed receiver. They exercise considerable caution when doing so, and will interfere only in special circumstances -- particularly when the receiver has been dealing with an unusual or difficult asset. Although the courts will carefully scrutinize the procedure followed by a receiver, they rely upon the expertise of their appointed receivers, and are reluctant to second-guess the considered business decisions made by the receiver in arriving at its recommendations. The court will assume that the receiver is acting properly unless the contrary is clearly shown.

[\*Regal Constellation Hotel Ltd., Re, 2004 CanLII 206 \(ON CA\), at para 23.\*](#)

25. A receiver's decision will be supported so long as it is within the bounds of reasonableness, and the Court will only intervene and proceed contrary to a receiver's recommendation in the most exceptional circumstances.

[\*Ravelston Corp. \(Re\), 2005 CanLII 63802 \(ON CA\), para. 40.\*](#)

[\*Soundair, para. 21.\*](#)

26. It is respectfully submitted that the Sales Process is the most important indicator of whether a sale transaction recommended by a Receiver should be approved, and not appraisals. When considering the Receiver's decision on the recommend sale, it is respectfully submitted that the Court should consider *Stanbarr Services Limited et al.*

*v. Reichert*, as Tzimas, J. stated "... the real proof in the pudding lies with actual offers, it does not lie with the appraisals; they are just estimates."

[\*Stanbarr Services Limited et al. v. Reichert\*, 2014 ONSC 6435 \(CanLII\), at para. 15](#)

The *Soundair* Principles are Met

27. The Court has consistently and uniformly applied the following factors outlined in *Royal Bank of Canada v. Soundair Corp* ("**Soundair**") when determining whether to approve a sale transaction in a receivership:

- i. whether the receiver made a sufficient effort to obtain the best price and to not act improvidently;
- ii. the interests of all parties;
- iii. the efficacy and integrity of the process by which the party obtained offers; and,
- iv. whether the working out of the process was unfair.

[\*Soundair\*, para. 16.](#)

28. It is respectfully submitted that the evidence set out by the Receiver in the First Report demonstrates that each of the *Soundair* principles has been satisfied.

***i. The Receiver made a Sufficient Effort to get the Best Price and Has Not Acted Improvidently***

29. Avison implemented an extensive marketing process with a view of obtaining the best price for the Real Property. Avison adequately canvassed the market for prospective purchasers for the Real Property, with the Real Property marketed for over 15 months, and all interested parties being provided an opportunity to make an offer.

30. The Sale Agreement includes the best price available in the circumstances and is provident to accept after over 15 months of marketing.

[\*Soundair\*, at para 24.](#)

31. Further marketing of the Real Property will result in further costs being incurred, and will not guarantee the finding of a superior transaction, and any delay to do so could jeopardize the Transaction contemplated in the Sale Agreement.
32. It is respectfully submitted that there is no merit to any suggestion that the Receiver acted improvidently. The Receiver has acted impartially and exercised its business judgment in a reasoned manner throughout the process. The Receiver's efforts resulted in the entering into of 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.
33. It is respectfully submitted that no credible evidence exists that create an exceptional circumstance where the Court should reject the Receiver's recommendation. The Receiver ran a fair process as an officer of the Court and the Sale Agreement is formed by the best offer received

[Soundair, at paras 21 and 29.](#)

***ii. The Transaction is in the Interests of All Parties***

34. Although the Receiver owes a duty to all stakeholders, its primary task is to maximize the return for the creditors.

[Soundair, at para 39.](#)

35. The Debtor's senior secured creditor, RBC, supports the Transaction.
36. The support of a secured creditor with an economic interest in the proceeds of a sale transaction is an important factor in determining whether a sale transaction should be approved. Where the highest price attainable will not result in recovery for all other creditors or shareholders, the wishes of the parties with a real interest in the proceeds should be very seriously considered by the receiver.

[Soundair, at para 73.](#)

37. The Transaction is also in the best interests of the Purchaser. Where a purchaser has bargained at some length and at a considerable expense with a receiver, the interests of the purchaser should be taken into account.

[Soundair, para. 40.](#)

38. The Purchaser pursuant to the Sale Agreement has spent time and resources conducting due diligence and finalizing the Sale Agreement. If the Transaction is not approved, the Purchaser will have expended such resources for nothing.
39. The Sale Agreement and the Transaction is in the best interests of all parties with a real economic interest in these proceedings. The Sale Agreement results in the best most certain to close transaction available to the Receiver.

***iii. The Efficacy and Integrity of the Process***

40. The integrity of the Sales Process is an important consideration. Avison's sale process was robust. To the best of the Receiver's knowledge, all interested parties had access to the same information, there was no asymmetry in information, and all reasonable requests for information made by prospective purchasers were satisfied.

[Soundair, para. 42.](#)

41. Any relisting of the Real Property to permit other bidders to submit offers now would result in additional, unnecessary costs. There is no evidence that any further marketing will bring a better price.

[Soundair, para. 44.](#)

42. Further, the Court should be reluctant to adopt a "wait and see" approach to determine if the market improves or a better offer appears.

[Choice Properties Limited Partnership v. Penady \(Barrie\) Ltd., 2020 ONSC 3517, at para. 35](#)

43. Purchasers should know that, if they act in good faith, bargain seriously and enter into an agreement with a receiver, the Court will not lightly interfere with the commercial judgment of the receiver.

[Soundair, para. 46.](#)

***iv. No Unfairness in the Working Out of the Process***

44. To the best of the Receiver's knowledge, the Sales Process was undertaken by Avison in good faith and was fair and reasonable, which was conducted in a transparent manner.
45. All prospective bidders for the Real Property had equal opportunity to participate in the process and submit offers in respect of the Real Property.
46. Accordingly, the principles of *Soundair* have been met and the Receiver respectfully requests the Court's approval of the Sale Agreement.

**b) The Sealing Order Should be Granted**

47. It is submitted that it is just, appropriate and necessary to the integrity of this receivership proceeding that the Confidential Appendices be sealed by this Court. The Confidential Appendices contain sensitive information, the release of which prior to the completion of the sale of the Real Property could be prejudicial to the stakeholders of Debtor.

Jurisdiction

48. The Court's jurisdiction to seal documents filed with it is found in s. 137(2) of the *Courts of Justice Act* (Ontario):

137(2) A court may order that any document filed in a civil proceeding before it be treated as confidential, sealed and not form a part of the public record.

[\*Courts of Justice Act \(Ontario\), s. 137\(2\).\*](#)

49. In addition to statutory jurisdiction, the Court also has inherent jurisdiction to issue sealing orders: "there is no doubt that the court has inherent jurisdiction, and jurisdiction under s. 137(2) of the *Courts of Justice Act*, to seal a portion of the court file."

[\*Fairview Donut Inc. v. The TDL Group Corp., 2010 ONSC 789 \(CanLII\), at para 34\*](#)

Discretion

50. Sealing Orders are granted regularly in the context of Court-appointed receiverships where court openness may pose a risk to the public interest in enabling stakeholders in an insolvency to maximize the realization of a debtor's assets. In this context, such an order is necessary in order to prevent a serious risk to an important commercial

interest; and the salutary effects of the sealing order outweigh its deleterious effects, which in this context includes the public interest in open and accessible court proceedings.

[Sierra Club of Canada v. Canada \(Minister of Finance\), 2002 SCC 41 \(CanLII\), \[2002\] 2 SCR 522, at paras 53-57.](#)

[Sherman Estate v. Donovan, 2021 SCC 25 \(CanLII\), at para 38.](#)

51. The Receiver submits that there are no reasonable alternative measures to a sealing order which would fulfill the twin purposes of (i) allowing this Court to review the reasonableness of the Sale Agreement; and (ii) ensuring that the commercially-sensitive information contained within the Confidential Appendices is not available to the public prior to the completion of any sale of the Real Property.

[Sherman, supra, at para. 38.](#)

52. Ontario Courts have recognized the customary practice of seeking a sealing order in the context of a sale approval motion, to which this motion is analogous. In *Ron Handelman Investments Ltd. v. Mass Properties Inc.*, Madam Justice Pepall stated:

[a]s is customary in sale approval motions, the Receiver seeks an order sealing the appraisal until the transaction is completed. This ensures the integrity of the process and avoids any prejudice to stakeholders in the event that the transaction does not close and a new purchaser must be sought.

[B&M Handelman Investments Limited v. Mass Properties Inc., 2009 CanLII 37930 \(ON SC\), at para 26.](#)

[Maxtech Manufacturing Inc. \(Re\), 2010 ONSC 1161 \(CanLII\), at paras 29 and 30.](#)

53. The Confidential Appendices contain sensitive commercial information. Should the sale of the Real Property not proceed pursuant to the Sale Agreement, the information contained within this confidential report could cause a reduction in any future sale of the Real Property and harm the creditors of the Debtor if made available to the public. Protecting the information contained within the Confidential Appendices is an important commercial interest that should be protected. There is no other reasonable alternative to sealing that will prevent the Confidential Appendices from becoming public.

54. With regard to the Confidential Appendices, it is the Receiver's opinion that the Confidential Appendices should remain sealed until the completion of the sale of the Real Property, or an Order by this Court.

**c) The Receiver's Activities Should be Approved**

55. The Receiver's activities in these proceedings have been undertaken in furtherance of the Receiver's duties and are consistent with the Receiver's powers, as set out in the Appointment Order. The Receiver has acted reasonably and in the best interests of the debtor's stakeholders, and this Court has the inherent jurisdiction to approve such activities.

*Bank of America Canada v. Willann Investments Ltd. (1993) 20 C.B.R. (3d) 223 (ONSC), at paras. 3 and 4, referenced in the Receiver's Book of Authorities at Tab 1*

56. All of the Receiver's activities were conducted within the ambit of its powers granted by the Appointment Order and each of the activities were necessary to ensure that the proceedings were as orderly, effective and fair to all stakeholders as possible.
57. The Receiver therefore respectfully submits that the First Report, and its activities to date as set out therein, should be approved by this Court.

**d) The Interim Statement of Receipts and Disbursements, the Fees and Disbursements of the Receiver and its Counsel, and the Fee Accrual Should be Approved**

58. The Receiver's Interim Statement of Receipts and Disbursements is appended to the First Report, and are reasonable. The Receiver respectfully requests that such receipts and disbursements be approved by this Honourable Court.
59. The Receiver respectfully submits that the Professional Fees of the Receiver and the Receiver's counsel, as detailed in the First Report, should be approved.
60. In determining whether to approve the fees of a receiver and its counsel, the Court should consider whether the remunerations and disbursements incurred in carrying out

the receivership were fair and reasonable and take into consideration the following factors, which constitute a useful guideline, but are not exhaustive:

- a) the nature, extent and value of the assets;
- b) the complications and difficulties encountered;
- c) the degree of assistance provided by the debtor;
- d) the time spent;
- e) the Receiver's knowledge, experience and skill;
- f) the diligence and thoroughness displayed;
- g) the responsibilities assumed;
- h) the results of the receiver's efforts; and,
- i) the cost of comparable services when performed in a prudent and economical manner.

[Bank of Nova Scotia v. Diemer, 2014 ONCA 851, at paras. 33 and 45.](#)

61. It is the Receiver's view that it and its counsel's fees and disbursements were incurred at the respective party's standard rates and charges, and are fair, reasonable and justified in the circumstances. Further, the fees and disbursements sought accurately reflect the work done by the Receiver and by its counsel in connection with the receivership.

62. RBC, as senior secured creditor of the Debtors, does not object to the fees.

**e) The Proposed Distribution Should be Approved**

63. It is well-established that priority among real property charges is governed by order of registration against title, subject to private arrangements to subordinate one interest to another.

[Land Titles Act, R.S.O. 1990, c. L.5, s. 78\(5\).](#)

64. As noted in the Security Opinion, based on the order of the registered charge against the Real Property, the Bank has a first priority charge. The Receiver has received an

opinion from its counsel that the security held by RBC, subject to normal assumptions and qualifications, is valid and enforceable.

***First Report, para 51 and Appendix "15" thereto.***

65. As noted above, the Receiver is seeking authorization of the Court to the balance of any and all funds available in the Debtor's estate to RBC, which is after a repayment of the Receiver's Borrowing in accordance with the Receiver's Borrowing Certificate, and payment of all property tax arrears to the Corporation of the Town of Halton Hills. RBC will suffer a shortfall even after receipt of any amounts under the Proposed Distribution.

***First Report, paras 51-55 and Appendix "15" thereto.***

66. The Proposed Distribution will follow a priority scheme and is reasonable in the circumstances, and should be approved by the Court.

**f) Abridging the Time for Service and Filing of the Motion Record**

67. The Court may, by order, extend or abridge any time prescribed by the Rules on such terms as are just. Further, the Court may dispense with compliance with any Rule at any time where and as necessary in the interest of justice. Finally, the Court may dispense with service where it is impractical to effect prompt service and/or it may validate service where it is satisfied that the document came to the notice of the person to be served.

**[Rules 2.03, 3.02, 16.04 and 16.08, Rules of Civil Procedure, R.R.O. 1990, Reg. 194](#)**

**PART V – ORDER REQUESTED**

68. For the reasons set forth herein and in the First Report, the Receiver respectfully requests that the Court grant the Approval and Vesting Order and the Ancillary Order.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 18<sup>th</sup> day of March, 2026.



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**SCHEDULE "A"**  
**LIST OF AUTHORITIES**

1. *Bank of America Canada v. Willann Investments Ltd.* (1993) 20 C.B.R. (3d) 223 (ONSC)
2. [\*Royal Bank of Canada v. Soundair Corp.\* \(1991\), 4 OR \(3d\) 1 \(ONCA\)](#)
3. [\*Regal Constellation Hotel Ltd., Re\*, 2004 CanLII 206 \(ON CA\)](#)
4. [\*Ravelston Corp. \(Re\)\*, 2005 CanLII 63802 \(ON CA\)](#)
5. [\*Fairview Donut Inc. v. The TDL Group Corp.\*, 2010 ONSC 789 \(CanLII\)](#)
6. [\*Sierra Club of Canada v. Canada \(Minister of Finance\)\*, 2002 SCC 41 \(CanLII\), \[2002\] 2 SCR 522](#)
7. [\*Sherman Estate v. Donovan\*, 2021 SCC 25 \(CanLII\)](#)
8. [\*B&M Handelman Investments Limited v. Mass Properties Inc.\*, 2009 CanLII 37930 \(ON SC\)](#)
9. [\*Maxtech Manufacturing Inc. \(Re\)\*, 2010 ONSC 1161 \(CanLII\)](#)
10. [\*Bank of Nova Scotia v. Diemer\*, 2014 ONCA 851](#)
11. [\*Stanbarr Services Limited et al. v. Reichert\*, 2014 ONSC 6435 \(CanLII\)](#)
12. [\*Choice Properties Limited Partnership v. Penady \(Barrie\) Ltd.\*, 2020 ONSC 3517](#)

**SCHEDULE "B"  
RELEVANT STATUTES**

**Rules of Civil Procedure, R.R.O. 1990, Reg. 194.**

**COURT MAY DISPENSE WITH COMPLIANCE**

**2.03** The court may, only where and as necessary in the interest of justice, dispense with compliance with any rule at any time.

**EXTENSIONS OR ABRIDGMENT**

***General Powers of Court***

**3.02(1)** Subject to subrule (3), the court may by order extend or abridge any time prescribed by these rules or an order, on such terms as are just.

(2) A motion for an order extending time may be made before or after the expiration of the time prescribed.

**SUBSTITUTED SERVICE OR DISPENSING WITH SERVICE**

***Where Order May be Made***

**16.04** (1) Where it appears to the court that it is impractical for any reason to effect prompt service of an originating process or any other document required to be served personally or by an alternative to personal service under these rules, the court may take an order for substituted service or, where necessary in the interest of justice, may dispense with service.

***Effective Date of Service***

(2) In an order for substituted service, the court shall specify when service in accordance with the order is effective.

(3) Where an order is made dispensing with service of a document, the document shall be deemed to have been served on the date of the order for the purpose of the computation of time under these rules.

## **VALIDATING SERVICE**

**16.08** Where a document has been served in a manner other than one authorized by these rules or an order, the court may make an order validating the service where the court is satisfied that,

- (a) The document came to the notice of the person to be served; or
- (b) The document was served in such a manner that it would have come to the notice of the person to be served, except for the person's own attempts to evade service.

### **Courts of Justice Act, R.R.O. 1990, Reg. 194.**

## **SEALING DOCUMENTS**

137(2) A court may order that any document filed in a civil proceeding before it be treated as confidential, sealed and not form part of the public record.

### **Land Titles Act, R.S.O. 1990, c. L.5**

## **Priorities**

- (5) Subject to any entry to the contrary in the register and subject to this Act, instruments registered in respect of or affecting the same estate or interest in the same parcel of registered land as between themselves rank according to the order in which they are entered in the register and not according to the order in which they were created, and, despite any express, implied or constructive notice, are entitled to priority according to the time of registration.

ROYAL BANK OF CANADA

v.

SARDARA TRANSPORT INC., et al.

Applicant

Respondents

Court File No. CV-24-00713924-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO, ONTARIO

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