

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

and

**FALCON XPRESS TRANSPORT GROUP INC., FALCON INVESTMENT GROUP
INC., 6086 MAYFIELD INC. and 2593548 ONTARIO INC.**

Respondents

**FIRST REPORT OF MSI SPERGEL INC.
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF
FALCON XPRESS TRANSPORT GROUP INC., FALCON INVESTMENT GROUP
INC., 6086 MAYFIELD INC. and 2593548 ONTARIO INC.**

JUNE 5, 2025

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I. APPOINTMENT AND BACKGROUND

1. This report (the “**First Report**”) is filed by msi Spergel inc. (“**Spergel**”), in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”) of Falcon Xpress Transportation Group Inc. (“**Transportation**”), Falcon Investment Group Inc. (“**Investment**”), 6086 Mayfield Inc. (“**Mayfield**”), and 2593548 Ontario Inc. (“**259**” and together with the Transportation, Investment and Mayfield, the “**Debtors**”) in response to the Debtors’ motion returnable on June 6, 2025 seeking certain relief, including the approval of a certain financing transaction, the payment of certain creditors, including the Applicant Royal Bank of Canada, and the discharge and release of the Receiver (the “**Debtors’ Motion**”).
2. Transportation is incorporated under the *Canada Business Corporations Act* and extra-provincially registered in Ontario and British Columbia. Its registered office is 6086 Mayfield Road, Caledon, Ontario (the “**Caledon Property**”).
3. Investment is incorporated under Ontario’s *Business Corporations Act* (the “**OBCA**”) with a registered office at 17269 Airport Road, Caledon, Ontario. Investment owns the real property municipally known as 11462 Coleraine Drive, Brampton, Ontario (the “**Coleraine Property**”).
4. Mayfield and 259 are both also incorporated under the OBCA with a registered office at 12825 Centreville Creek Road, Caledon, Ontario. Mayfield owns the Caledon Property.
5. Jarnail Singh Sidhu (“**Mr. Sidhu**”) is the sole director of each of the Debtors.
6. On April 17, 2025, Royal Bank of Canada (“**RBC**” or the “**Bank**”) moved by way of an application in the Ontario Superior Court of Justice (the “**Court**”) for a Court order appointing Spergel as Receiver of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including, without limitation, the Caledon Property (collectively, the “**Property**”). On the same day, the Honourable Justice Fowler Byrne of the Court issued an endorsement (the “**April 17th Endorsement**”), amongst other things, allowing the Debtors a week to make arrangements to pay out RBC or give RBC

satisfactory evidence that the closing is imminent and adjourning the receivership hearing to April 25, 2025 at 10:00 a.m.

7. On April 25, 2025, the Honourable Justice Derstine of the Court issued an endorsement (the “**April 25th Endorsement**”) and granted an Order appointing Spergel as Receiver over the Property (the “**Receivership Order**”) however delaying the effectiveness and enforceability of the Receivership Order till 12:01 a.m. (Toronto Time) on Friday May 16, 2025 (the “**Effective Date**”). In substance the Receivership Order provided the ability to the Debtors to return to Court prior to the Effective Date provided the Debtors paid the total amount of indebtedness to RBC, paid any and all priority payables and provided a release to RBC. The Debtors were unable to pay RBC prior to the Effective Date. Attached to this First Report as **Appendices “1”, “2” and “3”**, respectively, are copies of the April 17th Endorsement, the April 25th Endorsement and the Receivership Order.
8. The Receiver retained Gowling WLG LLP (the “**Receiver’s Counsel**”) as its independent legal counsel.

II. PURPOSE OF THIS FIRST REPORT AND DISCLAIMER

9. The purpose of this First Report is to advise the Court as to the steps taken by the Receiver in these proceedings since the Effective Date and to comment on the relief being sought in the Debtors’ Motion.

Restrictions and Disclaimer

10. The Receiver will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this First Report for any other purpose than intended.
11. In preparing this First Report, the Receiver has relied upon certain information found on site and/or provided to it by the management of the Company including, without limitation, past financial performance, and other financial information. The Receiver has not performed an audit or verification of such information for accuracy, completeness or compliance with Accounting Standards for Private

Enterprises or International Financial Reporting Standards. Accordingly, the Receiver expresses no opinion or other forms of assurance with respect to such information. Future-oriented financial information relied upon in this First Report is based on assumptions regarding future events, actual results achieved may vary from this information and these variations may be material.

12. All references to dollars in this First Report are in Canadian currency unless otherwise noted.

III. **RECEIVER'S ACTIVITIES**

13. Immediately upon the Effective Date, the Receiver directly or through Receiver's Counsel attended to the following:
 - a) attended at the Caledon Property and the Coleraine Property. Inspected physical transportation assets and obtained a list of same;
 - b) met with Mr. Sidhu and other management personnels to advance its mandate;
 - c) engaged with the Debtors' counsel, counsel for Cameron Stephens Mortgage Capital Ltd. ("**CSMC**"), counsel for Pathward National Association ("**Pathward**") and counsel for 2438231 Ontario Inc., BVD Petroleum Inc., & BVD Equipment Finance Inc. (collectively "**BVD**" and together with CSMC and Pathward, the "**Lenders**") and counsel for RBC with respect to the re-financing efforts of the Debtors. The Lenders indicated a willingness to provide funding imminently and requested that the business operations of the Debtors continue in the interim. Accordingly, the Receiver did not take possession of the business operations of the Debtors and release certain funds, as necessary, to the Debtors to carry on the business operations.
 - d) obtained the relevant books and records of the Debtors;
 - e) communicated and responded to queries from certain creditors and parties interested in the assets of the Debtors;

- f) opened dedicated trust accounts, where necessary, for the Debtors and dealt with existing accounts;
- g) notified the Office of the Superintendent of Bankruptcy of its appointment as Receiver;
- h) prepared and filed all documents mandated by the *Bankruptcy and Insolvency Act*;
- i) communicated with Canada Revenue Agency (“**CRA**”) with respect to each of the Debtors; and
- j) registered the Receivership Order on title to the Caldon Property and the Coleraine Property.

Canada Revenue Agency

14. Canada Revenue Agency (“**CRA**”) was notified of the receivership proceeding and filed claims with the Receiver on May 7, 2025 as follows:

Transportation

- a) \$1,498.21 unsecured claim for penalties and interest related to source deduction liability; and

Investment

- a) \$170,182.22 with respect to amounts outstanding for *Harmonized Sales Tax* (“**HST**”) liability of which \$148,979.09 is claimed as deemed trust; and
- b) \$386,775.81 with respect to outstanding corporate income taxes is generally an unsecured claim, however, CRA has registered a lien on the Coleraine Property with respect to same.

259

- c) \$1,134,054.43 with respect to amounts outstanding for HST liability of which \$726,198.75 is claimed as deemed trust;

Mayfield

- d) \$10,705.93 with respect to amounts outstanding for HST liability of which \$6,188.49 is claimed as deemed trust;
- 15. Subsequent to the claims provided by CRA, the Debtors have advised that they paid the amounts outstanding to CRA with respect to the source deduction liability of Transportation and HST liability of Mayfield. However, upon further review, it was determined that the payments did not clear the bank account and these amounts remain outstanding.
- 16. Further, the Debtors provided CRA account summaries indicating that the amount outstanding to CRA for 259's HST liability has been reduced to \$968,525.09. Attached to this First Report as **Appendix "4"** are copies of the claims filed by CRA.

IV. THE PROPOSED TRANSACTION

- 17. Before the appointment of the Receiver, the Debtors had been exploring re-financing opportunities. As indicated above, on the Effective Date, the Receiver and the Receiver's Counsel participated in a conference call with the counsels for the Lenders who showed a strong willingness to provide sufficient funding imminently to pay out all outstanding priority payables and RBC's indebtedness. During the week of May 26th counsels for the Lenders confirmed that they are ready to proceed with the refinancing and advance approximately \$18,979,625 (the "**Transaction Proceeds**") subject to adjustments at the time of advance as follows:
 - a) CSMC to advance \$12,479,625;
 - b) Pathward to advance \$3,600,000 based upon a calculation of the Debtors' accounts receivable the day prior to the advance; and
 - c) BVD to advance \$2,900,000.
- 18. The Lenders are anticipated to send the Transaction Proceeds to the Receiver's Counsel's trust account on Friday June 6, 2025. The Transaction Proceeds together with the monies held in the Receiver's trust accounts and the monies available in bank accounts held by the Debtors (collectively the "**Available Funds**")

will be sufficient to pay or otherwise satisfy the charges under the Receivership Order, the amounts outstanding to CRA and the secured indebtedness of the Debtors to RBC.

19. The Debtors served its motion materials in relation to the Debtors' Motion on June 4, 2025. The affidavit of Satbir Sidhu sworn on May 28, 2025 (the "**Sidhu Affidavit**") in support of the Debtors' motion indicates that the Debtors have the following amounts owing to its creditors:

To Be Paid from Available Funds

- a) The Receiver and Receiver's Counsel with respect to outstanding fees and disbursements including a fee accrual;
- b) \$17,367,599.77 CDN and \$23,318.81 USD to RBC as of May 30, 2025;
- c) \$968,525.09 to CRA regarding 259's HST liability;
- d) \$170,182.22 to CRA regarding Investment's HST liability and \$387,029.53 to CRA for Investment's corporate income tax liability;

To Be Paid in the Normal Course of Business by the Debtors

- e) Approximately \$122,000 to Town of Caledon with respect to Mayfield's outstanding property taxes for the Caledon Property. Mayfield has an arrangement with the Town of Caledon to pay \$16,679.00 per month;
- f) Approximately \$9,600,000 to Daimler to be paid in accordance with the lease agreement between the parties;
- g) Approximately \$5,885,733.60 to Stoughton to be paid in accordance with the lease agreement between the parties;
- h) \$161,738.98 to TD Finance to be paid in accordance with the lease agreement between the parties;

- i) \$3,346.87 to Bennington to be paid in accordance with the lease agreement between the parties;
 - j) amounts outstanding to TD Finance Leasing and Scotiabank for two personal vehicles to be paid in accordance with the lease agreement between the parties;
 - k) \$25,500,000 to Bulk Transfer Systems Inc. ("**BTS**") with respect to a vendor take-back first mortgage, second mortgage and interest related to the Coleraine Property;
 - l) \$13,362,561.95 CDN (inclusive of \$3,00,000 to be advanced by BVD) and \$1,089,2119.40 USD to BVD with respect to financing for equipment and other assets;
 - m) \$566,420.20 to trade creditors to be paid in accordance with the credit terms with each creditor.
20. As indicated above, the Debtors believed that they had paid the amounts outstanding to CRA with respect to the source deduction liability of Transportation and HST liability of Mayfield, however, upon further review, it was determined that the payments did not clear the bank account, and these amounts remain outstanding. Accordingly, the Receiver is recommending that these amounts also be paid to CRA by the Receiver from Available Funds.

Royal Bank of Canada

21. Counsel to RBC has confirmed the accuracy of the sum to be paid to RBC, and RBC has provided updated payout letters dated June 6, 2025 and June 9, 2025 that all parties have accepted to see the security held by RBC discharged on the payout to RBC.
22. RBC is the holder of a Charge over the Caledon Property. Attached as **Appendix "5"** to this First Report is a copy of the parcel abstract for the Caledon Property.
23. The Receiver has reviewed the copies of the *Personal Property Security Act* search results against the Debtors contained in RBC's application record. Based

on these results and the information known to the Receiver (including, without limitation, the statutory filings issued by the Receiver to the creditors of the Debtors known to the Receiver), the Receiver is not aware of any creditor of the Debtors omitted from the proposed Distribution and Discharge Order sought by the Debtors.

24. Given the above and assuming the accuracy of the information contained in the Sidhu Affidavit and provided by counsel to the Debtors it does not appear that any creditor will be prejudiced by the Payments (as defined herein) proposed in this First Report and the discharge of the Receiver.

V. PROFESSIONAL FEES AND DISBURSEMENTS

25. Attached hereto as **Appendix “6”** is the Affidavit of Mukul Manchanda sworn June 5, 2025, which incorporates by reference a copy of the Receiver’s time dockets pertaining to the receivership of the Debtors to and including June 4, 2025 in the amount of \$52,136.51 inclusive of disbursements and HST (the “**Receiver’s Fees**”). This represents a total of 131.35 hours at an average rate of \$351.26 per hour before HST.
26. Attached hereto as **Appendix “7”** is the Affidavit of Carol Liu, sworn June 5, 2025, which incorporates by reference a copy of the time dockets of the Receiver’s Counsel for the period to and including June 5, 2025, in the amount of \$23,038.18 inclusive of disbursements and HST (the “**Receiver’s Counsel’s Fees**”, together with the Receiver’s Fees, the “**Professional Fees**”).
27. The Receiver has reviewed the accounts of the Receiver’s Counsel and is of the view that all the work set out in these accounts was carried out and was necessary, that the hourly rates of the lawyers who worked on this matter were reasonable in light of the services required and that the services were carried out by lawyers with the appropriate level of experience.

VI. FEE ACCRUAL

28. Provided there is no opposition to the relief sought in the Debtors' Motion and that such relief is granted on June 6, 2025, the Receiver estimates that the additional fees and disbursements necessary to complete these proceedings not including disbursements and HST (collectively, the "**Fee Accrual**") will be \$50,000.

VII. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

29. Attached hereto as **Appendix "8"** are copies of the Interim Statement of Receipts and Disbursements as at June 4, 2025 for each of the Debtors.

VIII. DISTRIBUTION

30. From the Available Funds, the Receiver will be paying:
- a) The Professional Fee and the Fee Accrual;
 - b) \$1,498.21 to CRA regarding Transportations' source deduction liability;
 - c) \$10,705.93 to CRA regarding Mayfield's HST liability;
 - d) \$968,525.09 to CRA regarding 259's HST liability;
 - e) \$170,182.22 to CRA regarding Investment's HST liability;
 - f) \$387,029.53 to CRA for Investment's corporate income tax liability, resulting in a payment of a combined total of \$1,537,940.98 to CRA for the amounts outlined through b) to f); and
 - g) \$17,397,744.88 CDN and \$23,386.18 USD to RBC if the funds are remitted on June 6, 2025 or \$17,408,549.60 and \$23,424.55 USD to RBC if the funds are remitted on June 9, 2025; (collectively, the "**Payments**").

IX. DISCHARGE OF THE RECEIVER

31. Provided that the Debtors' Motion is granted, the Receiver proposes to attend to the following subsequent to the date of this First Report and prior to the Receiver filing its proposed Discharge Certificate:

- a) Ensuring the Payments are made;
- b) Other residual and/or administrative matters in connection with Spergel's appointment as the Receiver, including returning keys in respect of the Caledon Property and Coleraine Property to the Debtors, dealing with CRA and filing statutory reporting with the Office of the Superintendent of Bankruptcy.

All of which is respectfully submitted.

Dated at Toronto, this 5th day of June 2025

msi Spergel inc.,
solely in its capacity as Court-appointed
Receiver of the Debtors and not
in any corporate or personal capacities

Per:



Mukul Manchanda, CPA, CIRP, LIT

APPENDIX “1”

SUPERIOR COURT OF JUSTICE – ONTARIO

7755 Hurontario Street, Brampton ON L6W 4T6

RE: ROYAL BANK OF CANADA, applicant

AND:

FALCON XPRESS TRANSPORTATION GROUP
INC.
FALCON INVESTMENT GROUP INC.
6086 MAYFIELD INC.
2593548 ONTARIO INC., respondents

BEFORE: Justice FOWLER BYRNE

COUNSEL: NEMERS, JEREMY
jnemers@airdberlis.com

HORSTEN, CALVIN, for the applicant
chorsten@airdberlis.com

SIMAAN, MICHEAL, for the respondents
msimaan@kramersimaan.com

HEARD: April 17, 2025, by video conference

ENDORSEMENT

- [1] The Applicant seeks the appointment of a receiver over the assets of the Respondents. The Respondents are seeking until April 30, 2025 to obtain further financing, following which they will not oppose the receiver's appointment.
- [2] The Plaintiff had intended to appoint a receiver at the beginning of the year. The Respondents indicated that they were in a position to obtain alternate financing and pay out the RBC. Accordingly, the parties entered into a Forbearance Agreement, executed on January 28, 2025, wherein RBC agreed to give to the Respondents to the earlier of April 30, 2025, and the "occurrence of an Intervening

Event” before they would move ahead with a receiver. An Intervening Event was defined to include, *inter alia*, the failure of the Respondents to comply with any of the obligations contained in the Forbearance Agreement.

- [3] In the Forbearance Agreement, The RBC placed a number of conditions on the Respondents, such as signing consents to judgment and consents to appoint the receiver, held in escrow. The RBC also demanded that the Respondents pay up their property taxes, by February 11, 2025 and that they make certain payments on some of the credit facilities.
- [4] On March 4, 2025, the RBC wrote to the Respondents and advised that an Intervening Event occurred and thus, the end of the Forbearance Agreement was moved up to March 7, 2025. Subsequently, the RBC learned of other Intervening Events occurring and terminated the Forbearance Agreement on March 4, 2025.
- [5] The RBC then brought this motion to appoint the receiver. Unfortunately, it was first put before an associate judge who did not have jurisdiction to deal with the issue. It was then adjourned to this day.
- [6] The Respondents have filed responding materials, in which do not dispute that Intervening Events occurred, but indicates that the violations were minor, and they are still in a position to pay out the RBC by April 30, 2025. They rely on the court’s equitable jurisdiction to grant temporary relief from forfeiture and allow them time to finalize the financing they indicate is imminent. The Respondents seek 8 business days, failing which they will take no position and allow RBC to move forward on the consents to judgment and for the appointment of the receiver, which are contained in this record.
- [7] I see no prejudice in allowing the Respondents a little extra time in order to obtain alternate financing. I was given no evidence that assets are disappearing or that RBC’s ability to appoint a receiver in 8 days will be in any way prejudiced.

[8] Accordingly, I am allowing the Respondents another week to make arrangements to pay out RBC, or give the RBC satisfactory evidence that the closing is imminent.

[9] Accordingly,

- a. This matter is adjourned to April 25, 2025 at 10:00 a.m. on the short motions list.



Fowler Byrne J.

APPENDIX “2”

SUPERIOR COURT OF JUSTICE – ONTARIO

7755 Hurontario Street, Brampton ON L6W 4T6

RE: ROYAL BANK OF CANADA., **applicant**

AND:

FALCON XPRESS TRANSPORTATION GROUP INC.
FALCON INVESTMENT GROUP INC.
6086 MAYFIELD INC.
2593548 ONTARIO INC., **respondents**

BEFORE: Justice Derstine

COUNSEL: NEMERS, JEREMY
Email: jnemers@airdberlis.com

HORSTEN, CALVIN, for the **applicant**
Email: chorsten@airdberlis.com

AND:

SIMAAN, MICHAEL, for the **respondents**
Email: msimaan@kramersimaan.com

HEARD: April 25, 2025, videoconference

ENDORSEMENT

- [1] The applicant Royal Bank of Canada seeks an order appointing a receiver without security of all the assets properties and undertakings of Falcon Express Transportation Group, Falcon Investment Group Inc, 6086 Mayfield Inc and 2593548 Ontario Inc including the municipal property known as 6086 Mayfield Rd. in Caledon ON.

- [2] The debtors collectively owe RBC more than \$15 million. RBC holds security over the assets of the debtors including general security agreements and a charge over the real property which gives RBC the right to apply to the court for the appointment of a receiver.
- [3] On January 28th, 2025, RBC and the debtors entered a forbearance agreement dated January 21st, 2025, which contains consents to receivership from each of the debtors. The debtors have breached the forbearance agreement and the consents to receivership have become active. RBC waited several additional weeks before commencing this receivership application to give the debtors two opportunities to close our purported financing to repay RBC.
- [4] There is documentation before the court today indicating that at a minimum real attempts have been made to secure financing. The real difficulty with this is that similar real attempts have apparently been made in the past and have never crystallized into actual funding. On a number of occasions, the debtors have seemed very close to funding and yet funding has never been finally approved.
- [5] The debtors through council have asked until May 15th to be able to finalize their funding. They say they're very close to having funding, but they don't have it right now. This submission would have more urgency had it not been made in the past. Justice Fowler Byrne of this court gave the debtors 8 days to come up with financing or to consent to receivership. The parties are now before me and there is no funding.

- [6] I'm keenly aware that receivership is a significant step in any proceeding. It does not advance the interests of the debtor for obvious reasons which include reputational loss. It is not a quick and efficient way for the bank to recover its money. If I was to make an order of receivership today, then the bank would certainly not have its money by May 15.
- [7] While I am sympathetic with any business who is making a bonafide effort to not be placed into receivership, the bank has a just and proper claim to receivership if the debtors are unable to produce funding in a timely manner.
- [8] The debtor suggests that I could issue an order appointing a receiver but ordering that that receivership not take effect until May 16. If the Bank was satisfied and repaid in full, then the receivership would not occur. This would have the effect of drawing a significant line in the sand and preventing the debtor from continuing to delay the bank from its rightful enforcement. On the other hand, it would give one last opportunity to the debtor to avoid receivership.
- [9] The parties have conferred on terms and are by and large ad idem save for one paragraph. In that paragraph the bank is unconditionally released from all demands causes of action suits covenants and contracts and the like from the debtors for matters up to the date of the financing being transferred away from RBC. The bank asks for this language in order to ensure that there is absolute finality to this matter if they are paid off. The debtor says that the language is over expansive and does not take into account the fact that it is unknown what will happen in the next few weeks.

[10] I find that the bank is entitled to this language in the order. There is real justification for an order appointing a receiver today. I could have easily done so. For all the reasons I originally stated I am prepared to give the debtor one final chance to secure funding and avoid receivership. It must however be understood that it is the will of this court that this be the final opportunity for the debtor. If they are unable to come up with funding for any reason whatsoever the bank is entitled to its receivership. The wording as proposed by the bank will ensure that finality. The debtors are not compelled to sign this release, they are only compelled to sign it if they wish the financing. They must assume the risk that the bank will behave in an unusual manner in the next couple of weeks. On the evidence before me I think that that is unlikely. The debtor has put himself into a position where he is fortunate indeed that is not being ordered into receivership forthwith.

[11] The order will go on the terms agreed upon except for paragraph 35B which is an order of this court though not on consent. Costs are addressed at paragraph 32 of the order.



Justice Derstine

APPENDIX “3”

Court File No. CV-25-00001464-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE MR.

)

FRIDAY, THE 25TH

)

JUSTICE D. DERSTINE

)

DAY OF APRIL, 2025

)

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

**FALCON XPRESS TRANSPORTATION GROUP INC., FALCON INVESTMENT
GROUP INC., 6086 MAYFIELD INC. and 2593548 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**

**ORDER
(Appointing Receiver)**

THIS APPLICATION made by Royal Bank of Canada (“**RBC**”) for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing msi Spergel inc. (“**Spergel**”) as receiver (in such capacity, the “**Receiver**”) without security, of all of the assets, undertakings and properties of Falcon Xpress Transportation Group Inc. (“**Transportation**”), Falcon Investment Group Inc. (“**Investment**”), 6086 Mayfield Inc. (“**Mayfield**”), and 2593548 Ontario Inc. (“**259**” and, together with Transportation, Investment and Mayfield, the “**Debtors**”) acquired for, or used in relation to a

business carried on by the Debtors, including, without limitation, the real property municipally known as 6086 Mayfield Road, Caledon, Ontario in the jurisdiction of Land Registry Office # 43 and legally described by PIN 14348-0627 (LT) as PART OF LOT 1 CONCESSION 1 (GEOGRAPHIC TOWNSHIP OF ALBION) TOWN OF CALEDON BEING PART 1 ON 43R-41814; TOWN OF CALEDON (the “**Real Property**”) was heard this day by judicial videoconference via Zoom.

ON READING the affidavit of Mark Arnold sworn March 18, 2025 (and the Exhibits thereto) (collectively, the “**Arnold Affidavit**”), the responding affidavits of Satbir Sidhu sworn April 4, 2025 and April 24, 2025 (and the respective Exhibits thereto), the previous Endorsements of this Court and the transcripts of the Court’s hearings in this matter, and on hearing the submissions of counsel for RBC, counsel for the Debtors and such other counsel as were present, no one appearing for any other stakeholder although duly served as appears from the affidavit of service, filed, and on reading the consent of Spergel to act as the Receiver and the consents of the Debtors to the appointment of the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the notice of application and the application record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, Spergel is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, and all proceeds thereof, including, without limitation, the Real Property (collectively, the “**Property**”).

RECEIVER’S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality

of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;

- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the names and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof, and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - i. without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$200,000; and
 - ii. with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;

- (l) to apply for any 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;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the names of the Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver’s request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate

access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords (if any) with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the Debtors, the Receiver or affecting the Property are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business

which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including, without limitation, the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to

the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. **THIS COURT ORDERS** that all employees of the Debtors, if any, shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA AND ANTI-SPAM LEGISLATION

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

16. **THIS COURT ORDERS** that any and all interested stakeholders in this proceeding and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in this proceeding, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to such other interested stakeholders in this

proceeding and their counsel and advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act* or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER’S LIABILITY

18. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

19. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the “**Receiver’s Charge**”) on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver’s Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

20. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Ontario Superior Court of Justice.

21. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$150,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or

otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

25. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

26. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial>) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* (the "**Rules**") this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol and shall be accessible by selecting the Debtors' names from the engagement list at the following URL <https://www.spergelcorporate.ca/engagements>.

27. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile

transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

28. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

30. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

31. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. **THIS COURT ORDERS** that RBC shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of RBC's security or, if not so provided by RBC's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estates with such priority and at such time as this Court may determine.

33. **THIS COURT ORDERS** that, subject to paragraph 35 below, any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

34. **THIS COURT ORDERS** that, subject only to this paragraph 34 and paragraph 35 below, this Order and all of its provisions are effective as of 12:01 a.m. (Toronto time) on Friday, May 16, 2025 and is enforceable without the need for entry or filing.

35. **THIS COURT ORDERS** that under no circumstances whatsoever are any of the Debtors or anyone on their behalf entitled to return to Court to seek a variation or an amendment of this Order, or to appeal this Order, unless:

(a) the totality of the Indebtedness (as defined in the Arnold Affidavit, which, as of April 24, 2025, totals \$17,178,911.96 plus USD \$22,205.83 plus any additional borrowings, interest and costs from April 24, 2025) has been indefeasibly repaid in full to RBC in immediately available funds (such that, for greater certainty, any amounts ranking in priority to the Indebtedness, including, without limitation, any arrears by the Debtors in respect of source deductions, HST and property taxes, have also been indefeasibly paid by the Debtors, and written evidence of same satisfactory to RBC has also been provided to RBC); and

(b) each of the Debtors, on its behalf and on behalf of its successors, assigns and other legal representatives, has absolutely, unconditionally and irrevocably released, remised and forever discharged RBC and each of its successors and assigns, participants, affiliates, subsidiaries, branches, divisions, predecessors, directors, officers, attorneys, employees, lenders and other representatives and advisors (RBC and all such other persons being hereinafter referred to collectively as the "**Releasees**"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, complaints, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defences, rights of set-off, demands and liabilities whatsoever of every name and nature, known or unknown, suspected or unsuspected, both arising at law and in equity, which any of the Debtors or any of its successors,

assigns or other legal representatives may own, hold, have or claim to have against the Releasees or any of them for, upon or by reason of any circumstance, action, cause or thing whatsoever that relates to the Indebtedness (or any documents or transactions related thereto) and arises at any time on or prior to the date on which the totality of paragraph 35(a) of this Order has been satisfied.

A handwritten signature in black ink, consisting of a stylized 'X' or 'h' shape, positioned above a horizontal line.

SCHEDULE “A”
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that msi Spergel inc., the receiver (the “**Receiver**”) of all of the assets, undertakings and properties of Falcon Xpress Transportation Group Inc. (“**Transportation**”), Falcon Investment Group Inc. (“**Investment**”), 6086 Mayfield Inc. (“**Mayfield**”) and 2593548 Ontario Inc. (“**259**” and, together with Transportation, Investment and Mayfield, the “**Debtors**”) acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the “**Property**”), appointed by Order of the Ontario Superior Court of Justice (the “**Court**”) dated the 25th day of April, 2025 (the “**Order**”) made in an application having Court file number CV-25-00001464-0000, has received as such Receiver from the holder of this certificate (the “**Lender**”) the principal sum of \$ _____, being part of the total principal sum of \$150,000 which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

msi Spergel inc., solely in its capacity as
Receiver of the Property, and not in its personal
capacity

Per: _____

Name:

Title:

ROYAL BANK OF CANADA

- and -

FALCON XPRESS TRANSPORTATION GROUP INC., et al.

G27

Applicant

Respondents

Court File No. CV-25-00001464-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceedings commenced at Brampton

APPOINTMENT ORDER

AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place

181 Bay Street, Suite 1800

Toronto, ON M5J 2T9

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Calvin Horsten (LSO No. 90418I)

Tel: (416) 865-3077

Fax: (416) 863-1515

Email: chorsten@airdberlis.com

Lawyers for Royal Bank of Canada

G27

APPENDIX “4”



Canada Revenue Agency
Agence du revenu du Canada

London-Windsor TSO (London)
London ON N6A 5C9

May 07, 2025

MSI SPERGEL INC.
RECEIVER
200 YORKLAND BLVD.
SUITE 1100
TORONTO ON M2J 5C1

MAY 12 2025

Dear Sir/Madam:

Subject: 6086 MAYFIELD INC.

We understand that you have been appointed receiver or receiver-manager (receiver) for the above GST/HST registrant. Currently, the registrant owes goods and services tax / harmonized sales tax (GST/HST) of \$10,705.93.

Period outstanding	GST/HST payable	Penalty & interest	Total
-----	-----	-----	-----
25/01/01-25/03/31	\$ 587.12	\$ 0.00	\$ 587.12
24/10/01-24/12/31	\$ 231.12	\$ 6.57	\$ 237.95
24/07/01-24/09/30	\$ 291.26	\$ 17.14	\$ 308.40
24/01/01-24/03/31	\$ 244.37	\$ 30.78	\$ 275.15
23/10/01-23/12/31	\$ 635.81	\$ 99.68	\$ 735.49
23/07/01-23/09/30	\$4,198.55	\$ 773.84	\$ 4,972.39
23/04/01-23/06/30	\$ 0.00	\$3,589.43	\$ 3,589.43
Totals:	\$6,188.49	\$4,517.44	\$10,705.93

Under the Excise Tax Act, \$6,188.49 of the above totals represents property of the Crown held in trust and does not form part of 6086 MAYFIELD INC.'s property, business, or estate. This is the case whether or not those funds are kept separate and apart from the registrant's own money or from the estate's assets.

You must pay the Receiver General for Canada \$6,188.49 out of the realization of any property subject to the trust created by subsection 222(3) of the Act before paying any other creditor. Please send us your payment right away. If this is not possible,

.../2

Canada

National Insolvency Office
451 Talbot Street
London ON N6A 5C9

Local : 416-659-4974
Toll Free : 1-833-540-3352
Fax : 833-697-2390
Web site : canada.ca/taxes


please tell us when you will make the payment. Also, please tell us when you will pay the remaining balance of \$4,517.44.

As a receiver, you must collect and remit the registrant's GST/HST for the period you are acting as a receiver. You also must file the registrant's returns for any periods ending while you were acting as receiver. This includes any returns the registrant did not file for a period ending in or immediately before the fiscal year you became receiver.

For more information or clarification, please call us at 416-659-4974.

Yours truly,



 Laura Vowles
Resource Officer/Complex Case



London-Windsor TSO (London)
London ON N6A 5C9

May 07, 2025

MSI SPERGEL INC.
RECEIVER
200 YORKLAND BLVD.
SUITE 1100
TORONTO ON M2J 5C1

MAY 12 2025

Dear Sir/Madam:

Subject: 2593548 ONTARIO INC.

We understand that you have been appointed receiver or receiver-manager (receiver) for the above GST/HST registrant. Currently, the registrant owes goods and services tax / harmonized sales tax (GST/HST) of \$1,134,054.43.

Period outstanding	GST/HST payable	Penalty & interest	Total
25/01/01-25/01/31	\$ 47,152.39	\$ 806.68	\$ 47,959.07
24/12/01-24/12/31	\$ 47,152.39	\$ 1,221.31	\$ 48,373.70
24/11/01-24/11/30	\$ 47,152.39	\$ 1,671.33	\$ 48,823.72
24/10/01-24/10/31	\$ 47,152.39	\$ 2,166.06	\$ 49,318.45
24/09/01-24/09/30	\$ 47,152.39	\$ 2,653.25	\$ 49,805.64
24/08/01-24/08/31	\$ 23,849.21	\$ 1,659.16	\$ 25,508.37
24/07/01-24/07/31	\$ 43,918.78	\$ 2,710.63	\$ 46,629.41
24/06/01-24/06/30	\$ 43,509.56	\$ 3,154.04	\$ 46,663.60
24/05/01-24/05/31	\$ 31,301.45	\$ 2,609.43	\$ 33,910.88
24/04/01-24/04/30	\$ 38,952.33	\$ 3,699.33	\$ 42,651.66
24/03/01-24/03/31	\$ 40,396.86	\$ 4,322.30	\$ 44,719.16
24/02/01-24/02/29	\$ 55,500.42	\$ 6,595.75	\$ 62,096.17
24/01/01-24/01/31	\$ 43,147.63	\$ 5,657.32	\$ 48,804.95
23/11/01-23/11/30	\$ 84,724.74	\$ 13,167.73	\$ 97,892.47
23/10/01-23/10/31	\$ 42,174.34	\$ 7,047.69	\$ 49,222.03
23/09/01-23/09/30	\$ 74,513.37	\$ 13,309.54	\$ 87,822.91
23/08/01-23/08/31	\$ 84,938.45	\$ 16,183.40	\$ 101,121.85
23/07/01-23/07/31	\$ 166,424.00	\$ 36,306.39	\$ 202,730.39
TOTALS:	\$1,009,113.09	\$124,941.34	\$1,134,054.43

Under the Excise Tax Act, \$726,198.75 of the above totals

.../2



National Insolvency Office
451 Talbot Street
London ON N6A 5C9

Local : 416-659-4974
Toll Free : 1-833-540-3352
Fax : 833-697-2390
Web site : canada.ca/taxes

represents property of the Crown held in trust and does not form part of 2593548 ONTARIO INC.'s property, business, or estate. This is the case whether or not those funds are kept separate and apart from the registrant's own money or from the estate's assets.

You must pay the Receiver General for Canada \$726,198.75 out of the realization of any property subject to the trust created by subsection 222(3) of the Act before paying any other creditor. Please send us your payment right away. If this is not possible, please tell us when you will make the payment. Also, please tell us when you will pay the remaining balance of \$407,855.68.

As a receiver, you must collect and remit the registrant's GST/HST for the period you are acting as a receiver. You also must file the registrant's returns for any periods ending while you were acting as receiver. This includes any returns the registrant did not file for a period ending in or immediately before the fiscal year you became receiver.

For more information or clarification, please call us at 416-659-4974.

Yours truly,



for Laura Vowles
Resource Officer/Complex Case



London-Windsor TSO (London)
London ON N6A 5C9

May 07, 2025

MSI SPERGER INC.
RECEIVER
200 YORKLAND BLVD.
SUITE 1100
TORONTO ON M2J 5C1

MAY 12 2025

Dear Sir/Madam:

Subject: FALCON INVESTMENT GROUP INC.

We understand that you have been appointed receiver or receiver-manager (receiver) for the above GST/HST registrant. Currently, the registrant owes goods and services tax / harmonized sales tax (GST/HST) of \$170,182.22.

Period outstanding -----	GST/HST payable -----	Penalty & interest -----	Total -----
24/10/01-24/12/31	\$ 11,981.85	\$ 340.68	\$ 12,322.53
24/07/01-24/09/30	\$ 15,403.09	\$ 906.60	\$ 16,309.69
24/04/01-24/06/30	\$ 18,179.58	\$ 1,654.84	\$ 19,834.42
24/01/01-24/03/31	\$ 17,945.01	\$ 2,563.74	\$ 20,508.75
23/10/01-23/12/31	\$ 24,563.02	\$ 3,783.12	\$ 28,346.14
23/07/01-23/09/30	\$ 54,777.53	\$ 7,601.10	\$ 62,378.63
24/04/01-23/06/30	\$ 6,129.01	\$ 4,099.33	\$ 10,228.34
Lawcosts	\$ 0.00	\$ 253.72	\$ 253.72
Totals:	\$148,979.09	\$21,203.13	\$170,182.22

Under the Excise Tax Act, \$148,979.09 of the above totals represents property of the Crown held in trust and does not form part of FALCON INVESTMENT GROUP INC.'s property, business, or estate. This is the case whether or not those funds are kept separate and apart from the registrant's own money or from the estate's assets.

Please note that on January 9, 2025 Canada Revenue Agency registered a lien on title on PIN:142130093, Instrument

.../2

#PR4419522, known municipally as: 11462 Coleraine Dr, Brampton ON, L6P 0Y8. The value of the lien as of today's date is \$141,296.28 and applies to GST/HST owing for periods ending 2023-06-30 through 2024-06-30. Interest will continue to accrue on this balance until payment in full is received.

You must pay the Receiver General for Canada \$148,979.09 out of the realization of any property subject to the trust created by subsection 222(3) of the Act before paying any other creditor. Please send us your payment right away. If this is not possible, please tell us when you will make the payment. Also, please tell us when you will pay the remaining balance of \$21,203.13.

As a receiver, you must collect and remit the registrant's GST/HST for the period you are acting as a receiver. You also must file the registrant's returns for any periods ending while you were acting as receiver. This includes any returns the registrant did not file for a period ending in or immediately before the fiscal year you became receiver.

For more information or clarification, please call us at 416-659-4974.

Yours truly,



FOR Laura Vowles
Resource Officer/Complex Case



Canada Revenue Agency
Agence du revenu
du Canada

London-Windsor TSO (London)
London ON N6A 5C9

May 07, 2025

MSI SPERGEL INC.
RECEIVER
200 YORKLAND BLVD.
SUITE 1100
TORONTO ON M2J 5C1

MAY 12 2025

Dear Sir/Madam:

Re: FALCON INVESTMENT GROUP INC.
of the City of Brampton in the Province of Ontario
Date of their receivership: April 25, 2025

We are enclosing our claim and supporting schedule for \$386,775.81
in the above-noted insolvency event.

We are enclosing our amended claim and supporting schedule for
\$386,775.81 in the above-noted insolvency event.

Please make your cheque for the dividend payment payable to the
Receiver General of Canada. Make sure to include the account
number shown on the schedule.

Send any dividend payments to:

Canada Revenue Agency
PO Box 3800 Stn A
Sudbury ON P3A 0C3

If you need more information about this claim, such as a more
detailed breakdown of the debt, please call me at one of the
telephone numbers provided on this letter.

Yours truly,

for Laura Vowles
Resource Officer/Complex Case

Enclosure(s)

Canada

National Insolvency Office
451 Talbot Street
London ON N6A 5C9

Local : 416-659-4974
Toll Free : 1-833-540-3352
Fax : 833-697-2390
Web site : canada.ca/taxes

Proof of Claim (Form 31)
(Sections 50.1, 81.5, 81.6, subsections 65.2(4), 81.2(1), 81.3(8),
81.4(8), 102(2), 124(2), 128(1), and paragraphs 51(1)(e)
and 66.14(b) of the Act)

Send all notices or correspondence regarding this claim to the
following address:

Canada Revenue Agency
Shawinigan-Sud National Verification and Collection Centre
Insolvency Intake Centre
Collections Directorate
4695 Shawinigan-Sud Blvd.
Shawinigan QC G9P 5H9

Attention: Laura Vowles

In the matter of the receivership of FALCON INVESTMENT GROUP INC.
of the City of Brampton in the Province of Ontario, and the claim
of His Majesty the King in Right of Canada as represented by the
Minister of National Revenue, creditor.

I, Laura Vowles, of the City of London in the Province of Ontario,
do hereby certify:

1. That I am a resource officer/complex case officer of the Canada
Revenue Agency.

2. That I have knowledge of all the circumstances connected with
the claim referred to below.

3. That the debtor was, at the date of the receivership namely the
25th Day of April, 2025, and still is, indebted to the creditor in
the sum of \$386,775.81, as specified in the statement of account
attached and marked Schedule B, after deducting any counterclaims
to which the debtor is entitled.

4. (X) SECURED CLAIM of \$386,775.81.

That in respect of this debt, I hold an interest in the assets of
the debtor valued at \$386,775.81 as security, particulars of which
are as outlined on the attached Schedule B.

5. That, to the best of my knowledge, the above-named creditor is
not related to the debtor within the meaning of section 4 of the
Act, and has not dealt with the debtor in a non-arm's length
manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to the debtor within the three months immediately before the date of the initial bankruptcy event within the meaning of section 2 of the Act.

NIL

Schedule B

Name: FALCON INVESTMENT GROUP INC.

Secured claim

Income Tax Act

Account number: 767560949 RC0001

Assessed period(s): 2022 and 2023

Principal: \$331,281.00

Penalty and interest: \$55,494.81

Total: \$386,775.81

ITA-8540-24 Lien# PR4419502

11462 Coleraine Drive

Brampton Ontario L6P 0Y8

Total secured claim: \$386,775.81



London-Windsor TSO (London)
London ON N6A 5C9

May 07, 2025

MSI SPERGEL INC.
RECEIVER
200 YORKLAND BLVD.
SUITE 1100
TORONTO ON M2J 5C1

MAY 12 2025

Dear Sir/Madam:

Subject: FALCON XPRESS TRANSPORTATION GROUP INC.
Account number: 75543 3513 RP0001

We were told that you have been appointed as receiver for the above-named. There is a debt owed to the Canada Revenue Agency for source deductions amounting to \$1498.21 for income tax and Canada Pension Plan (CPP) contributions, as well as employment insurance (EI) premiums.

Details of the debt are as follows:

Tax deductions:	\$ 0.00
CPP:	\$ 0.00
EI:	\$ 0.00
Penalties and interest:	\$1,498.21
Total:	\$1,498.21

Further to the Income Tax Act, the Canada Pension Plan, and the Employment Insurance Act, the following amounts, which are included in the above totals, are trust funds and form no part of the property, business, or estate of FALCON XPRESS TRANSPORTATION GROUP INC. in receivership.

Federal income tax:	\$0.00
Provincial income tax:	\$0.00
CPP employee part:	\$0.00
EI employee part:	\$0.00
Total:	\$0.00

Payment for the total amount of this trust, namely \$0.00, must be made to the Receiver General for Canada out of the realization of any property that is subject to these statutory trusts in priority

.../2



National Insolvency Office
451 Talbot Street
London ON N6A 5C9

Local: 416-659-4974
Toll Free: 1-833-540-3352
Fax: 833-697-2390
Web site: canada.ca/taxes

to all other creditors.

Please let us know when payment of this trust amount and the remaining balance of \$1,498.21 will be made.

This letter also serves as notice that should payment be made for any amount described in subsection 153(1) of the Income Tax Act for periods before or after your appointment, you must withhold tax deductions and remit payments in accordance with that subsection and sections 101 and 108 of the Income Tax Regulations.

Also, see section 5 of the Employment Insurance Act and section 8 of the Canada Pension Plan Regulations.

For more information or clarification, please call me at 416-659-4974.

Yours truly,



RLC
Laura Vowles
Resource Officer/Complex Case

APPENDIX “5”

PROPERTY DESCRIPTION: PART OF LOT 1 CONCESSION 1 (GEOGRAPHIC TOWNSHIP OF ALBION) TOWN OF CALEDON BEING PART 1 ON 43R-41814; TOWN OF CALEDON

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2025/01/31.

ESTATE/QUALIFIER:
FEE SIMPLE
LT ABSOLUTE PLUS

RECENTLY:
RE-ENTRY FROM 14348-0592

PIN CREATION DATE:
2025/01/31

OWNERS' NAMES
6086 MAYFIELD INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2025/01/31 **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
RO664723	1983/11/23	AGREEMENT			THE TOWN OF CALEDON	C
REMARKS: SKETCH ATTACHED.						
LT2057426	2000/03/27	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF THE DEPARTMENT OF TRANSPORT CANADA		C
REMARKS: PEARSON AIRPORT ZONING REGULATION						
PR2713252	2015/05/15	TRANSFER	\$6,847,500	BARBIERI, GRACE BARBIERI, JOE	6086 MAYFIELD INC.	C
REMARKS: PLANNING ACT STATEMENTS.						
PR3902941	2021/09/01	CHARGE	\$18,100,000	6086 MAYFIELD INC.	ROYAL BANK OF CANADA	C
PR3902979	2021/09/01	NO ASSGN RENT GEN		6086 MAYFIELD INC.	ROYAL BANK OF CANADA	C
REMARKS: PR3902941						
43R41814	2025/01/31	PLAN REFERENCE				C
REMARKS: PR4427068.						
PR4427114	2025/01/31	APL ABSOLUTE TITLE		6086 MAYFIELD INC.	6086 MAYFIELD INC.	C
REMARKS: PR4402251						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

APPENDIX “6”

Court File No. CV-25-00001464-0000

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

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

and

**FALCON XPRESS TRANSPORTATION GROUP INC., FALCON INVESTMENT
GROUP INC., 6086 MAYFIELD INC. and 2593548 ONTARIO INC.**

Respondent

**AFFIDAVIT OF MUKUL MANCHANDA
(Sworn June 5, 2025)**

I, **MUKUL MANCHANDA**, of the City of Brampton, in the Province of Ontario,
MAKE OATH AND SAY:

1. I am a Licensed Insolvency Trustee with msi Spergel inc. ("**Spergel**"), the Court-Appointed Receiver (the "**Receiver**") of the following companies (collectively the "**Debtors**");

- a) Falcon Express Transportation Group Inc., ("**FALX**");
- b) Falcon Investment Group Inc. ("**FALI**");
- c) 6086 Mayfield Inc. ("**6086**");
- d) 2593548 Ontario Inc. ("**2593**").

and as such have knowledge of the matters to be deposed herein, except where such knowledge is stated to be based on information and belief, in which case I state the source of the information and verily believe such information to be true.

- 2. MSI was appointed Receiver pursuant to the Order made by the Honourable Justice D. Derstine of the Ontario Superior Court of Justice (Commercial List) on April 25, 2025.
- 3. Attached hereto as **Exhibit "1"** are true copies of the Receiver's time dockets with respect to professional fees incurred in respect of the receivership of the Debtors for the period up to and including June 4, 2025, the amount of \$52,136.51 inclusive of disbursements and HST. The professional fees represent a total of 131.35 hours at an average rate of \$351.26 per hour (excluding HST).
- 4. To the best of my knowledge the rates charged by MSI in connection with acting as Receiver are comparable to the rates charged by other firms in the Toronto market for the provision of similar services.
- 5. I make this affidavit in support of the Receiver's motion for; *inter alia*, approval of its fees and disbursements and not for an improper purpose.

SWORN BEFORE ME at the City
of Toronto, in the Province of
Ontario, this 5th day of June 2025.



A Commissioner, etc.

MUKUL MANCHANDA

Barbara Eileen Sturge,
a Commissioner, etc. for msi Spergel inc
and Spergel & Associates Inc.
Expires September 21, 2025

**This is Exhibit “1” of the Affidavit of
MUKUL MANCHANDA
Sworn before me on this 5th day of June 2025**



A Commissioner, Etc

Barbara Eileen Sturge,
a Commissioner, etc. for MSI Spergel Inc.
and Spergel & Associates Inc.
Expires September 21, 2025



SPERGEL

msi Spergel inc., Licensed Insolvency Trustees
Head Office: 200 Yorkland Blvd., Suite 1100
Toronto, ON., M2J 5C1
T: 416 497 1660 • F: 416 494 7199
www.spergel.ca

June 5, 2025

Invoice #: 12920

Falcon Xpress Transportation Group Inc.

INVOICE

RE: Falcon Xpress Transportation Group Inc.

FOR PROFESSIONAL SERVICES RENDERED in the period up to and including June 4, 2025, in connection with the Court-appointed receivership proceedings.

Professional Services	Hours	Hourly Rate	Total
Mukul Manchanda, CPA, CIRP, LIT	40.30	\$550.00	\$22,165.00
Philip H. Gennis, LL.B., CIRP, LIT	6.75	\$549.26	\$3,707.50
Paula Amaral	28.00	\$365.00	\$10,220.00
Dharam Tiwana	12.20	\$250.00	\$3,050.00
Manocher Sarabi	39.00	\$165.00	\$6,435.00
Cassandra Glover	5.10	\$110.00	\$561.00
Total Professional Services	131.35	\$351.26	\$46,138.50
HST			\$5,998.01

Total **\$52,136.51**

HST Registration #R103478103
(AAFALX-R)



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June 5, 2025

Invoice #: 12920

Falcon Xpress Transportation Group Inc.

INVOICE

INVOICE RECONCILIATION PAGE

Date	Staff	Memo	Hours	B-Rate	Amount
Professional Services					
2025-04-25	PGE	Telephone discussion with and email from Bank Counsel regarding disposition of hearing on motion to appoint Receiver; receipt and review of endorsement suspending enforcement of Receivership Order until May 16th;	1.00	\$550.00	\$550.00
2025-05-01	PGE	Email from Counsel for Bank to Bennington Financial enclosing Endorsement and Receivership Order; email to PA and DT enclosing copies of endorsement and Receivership Order;	0.20	\$550.00	\$110.00
2025-05-15	MSR	Prepared Door Notices, Printed Court Orders, Prepared and reviewed bank letters.	2.00	\$165.00	\$330.00
2025-05-16	PGE	site attendance; Internal communications and multiple emails between Receiver and Receiver's Counsel regarding implementation of Receivership Order in light of Debtor's failure to produce evidence of re-financing; communication with Bank and Receiver's Counsel; attend at business premises of the Debtor; service of the Receivership Order on the Debtor; discussions with the Debtor; its accountant; and its lawyer; internal discussions in this regard; email exchange between Receiver's Counsel and Counsel for Debtor; receipt and review of parcel registers for real property; email to Counsel for Debtor requesting copies of re-financing loan documents; receipt and review of advance ledgers provided by Debtor's accountant; email exchanges with banks regarding accounts and funds on deposit; email exchange with Receiver's Counsel;	5.00	\$550.00	\$2,750.00

Barrie 705 722 5090 • Brampton 905 874 4905 • Downsview 416 633 1444 • Hamilton 905 527 2227 • London 519 902 2722 • Mississauga 905 602 4143
Oshawa 905 721 8251 • Peterborough 705 748 3333 • Scarborough 416 642 1363 • Toronto 416 778 8813 • Vaughan 647 288 7636
Saskatchewan 306 341 1660 • British Columbia 604 365 7434



SPERGEL

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June 5, 2025

Invoice #: 12920

Falcon Xpress Transportation Group Inc.

INVOICE

2025-05-16	DTI	<i>Review applicant record, review bank letters, investigate properties based on applicant record, correspond with legal counsel regarding properties, request charges to be registered against real property, get operating address for Coleraine property, correspond with team to plan site visit, coordinate visit with LockIt, attend Coleraine property, review yard activity, correspond with legal counsel and Receiver, attend Mayfield property, review property, take possession and get locks changed, arrange security for premises, attend Coleraine property and gain access, get locks changed, document property, review ownership of personal vehicles and provide access, visit Mayfield property and meet with overnight security to provide direction, correspond with Eagle Vision regarding receivership, attend to questions, get added on as point of contact for property, get daily logs.</i>	10.50	\$250.00	\$2,625.00
2025-05-16	MMA	<i>Time previously spent but not recorded, including: Receipt and review of email exchanges with Spergel team, counsel, banks, insurance and security providers regarding court proceedings, CRA claims, amounts owing, meetings, extensions for payment and payout letters, vendor services, taking possession, and holding bank accounts; receipt and review of the draft and final Court documents, parcel registers, and financing ledgers; email exchanges with counsel regarding Court documents, and communications to send out per Court order; and call with M. Manraj (Manraj Law) regarding file. Travel to and from company premises for a meeting with management. Discussion regarding ongoing operations and other matters.</i>	12.40	\$550.00	\$6,820.00
2025-05-16	MSR	<i>Attain to property to take possession, Co-Ordinating with Lock Smith, Phone call and email. emailing bank letters to banks.</i>	9.00	\$165.00	\$1,485.00
2025-05-16	PAM	<i>Attend premises to take possession including changing of locks, meeting with management to discuss receivership process, financing, obtain books and records including accounts receivable and accounts payable listings and employee records.</i>	9.00	\$365.00	\$3,285.00
2025-05-18	PGE	<i>Receipt of BVD security documents from Counsel for Debtor;</i>	0.25	\$550.00	\$137.50
2025-05-19	MMA	<i>Receipt and review of security documents.</i>	0.20	\$550.00	\$110.00

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June 5, 2025

Invoice #: 12920

Falcon Xpress Transportation Group Inc.

INVOICE

2025-05-19	MSR	<i>Reviewed PPSA for all companies and prepared a list of secured creditors, with make and model. email received and reviewed.</i>	5.00	\$165.00	\$825.00
2025-05-19	PAM	<i>Attend premises to assist company with the preparation of the cash flow and to obtain books and records.</i>	8.00	\$365.00	\$2,920.00
2025-05-19	MMA	<i>Travel to and from the company premises to discuss with management.</i>	3.50	\$550.00	\$1,925.00
2025-05-20	DTI	<i>Correspond with Eagle Vision regarding property, review yard logs, correspond with drivers calling regarding outstanding pay, correspond with P.Amaral regarding file updates, correspond with R.Tuzi regarding property and lock change. Review CRA Authorization forms.</i>	0.90	\$250.00	\$225.00
2025-05-20	PGE	<i>Email from litigation paralegal at BMO;</i>	0.10	\$550.00	\$55.00
2025-05-20	CGL	<i>Administrative work including sending payment information to U. Shino (BMO) to receive account funds per the receivership.</i>	0.10	\$110.00	\$11.00
2025-05-20	MMA	<i>Receipt and review of cash flow analysis.</i>	0.40	\$550.00	\$220.00
2025-05-20	MSR	<i>Prepared CRA authorization forms and application for RT0002 account, Emails received and reviewed.</i>	5.00	\$165.00	\$825.00
2025-05-20	PAM	<i>Attend premises to assist with preparation of cash flow and to review books and records.</i>	6.00	\$365.00	\$2,190.00
2025-05-20	MMA	<i>Travel to and from the company premises to discuss with management.</i>	3.50	\$550.00	\$1,925.00
2025-05-21	PGE	<i>Email from real estate broker regarding a property that is part of the receivership;</i>	0.10	\$550.00	\$55.00
2025-05-21	MMA	<i>Receipt and review of cash flow analysis and receivership letter from counsel.</i>	0.40	\$550.00	\$220.00
2025-05-21	MSR	<i>Email, sent, reviewed and prepared CRA Fax Covers,</i>	3.00	\$165.00	\$495.00
2025-05-21	PAM	<i>Review CRA forms completed by M.Manocher.</i>	0.20	\$365.00	\$73.00
2025-05-22	MMA	<i>Receipt and review of email exchange with U. Shino (BMO) regarding fund transfer. Discussion with P. Amaral regarding payment of cheques for Debtor. Receipt and review of the updated cash flow report.</i>	1.10	\$550.00	\$605.00
2025-05-22	MSR	<i>Preparing and reviewing notice and statements of receivership for Falcon Xpress, falcon Investment, 6086 Mayfield and the numbered company.</i>	5.00	\$165.00	\$825.00

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June 5, 2025

Invoice #: 12920

Falcon Xpress Transportation Group Inc.

INVOICE

2025-05-22	PAM	Attend premises to assist with updating the cash flow.	4.50	\$365.00	\$1,642.50
2025-05-22	MMA	Travel to and from company premises for discussion with management.	3.00	\$550.00	\$1,650.00
2025-05-23	MMA	Review of accounts payable analysis and forward to bank. Email exchanges with Falcon and BMO regarding accounts payable and creditor list. Review, revise and sign the Notice and Statement of the Receiver. Review incoming deposits for receivership.	2.10	\$550.00	\$1,155.00
2025-05-23	CGL	Administrative work including the review, revision and sending for approval of the Notice and Statement of Receivership. Create accounts payable analysis.	0.90	\$110.00	\$99.00
2025-05-23	PGE	Further emails regarding bank accounts and transmittal of funds on deposit;	0.10	\$500.00	\$50.00
2025-05-23	DTI	Review yard logs	0.10	\$250.00	\$25.00
2025-05-23	MSR	email, received and reviewed, Preparing and reviewing a list of unsecured creditors and sourcing and verifying the addresses provided for mailing purposes and finalizing the Notice and Statement of receivership and forwarding it for approval.	5.00	\$165.00	\$825.00
2025-05-23	PAM	Review Notices and Statement of Receiver of prepare by M.Manocher.	0.30	\$365.00	\$109.50
2025-05-26	MMA	Travel to and from company's premises and attended meeting with the Principals. Email exchanges with Falcon and counsel regarding fuel payment analysis, funding concerns, CRA claims, and payout letters.	3.70	\$550.00	\$2,035.00
2025-05-26	MSR	Preparing mailing labels and printing labels and mailout notices.	5.00	\$165.00	\$825.00
2025-05-26	DTI	Review yard logs for the weekend.	0.10	\$250.00	\$25.00
2025-05-27	MMA	Receipt and review of receivership certificates. Call with SDS Law, Gowling, Manraj Law, Kramer Simaan, BVD, Chaitons, and SR Law regarding file.	0.90	\$550.00	\$495.00
2025-05-27	DTI	Review yard logs	0.10	\$250.00	\$25.00

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June 5, 2025

Invoice #: 12920

Falcon Xpress Transportation Group Inc.

INVOICE

2025-05-28	MMA	<i>Receipt and review of employee payables, creditor's proof of claim and related outstanding invoices, and Insurance policy documents. Email exchanges with U. Shino (BMO) regarding account balances and with Malwa Welding regarding filing and withdrawing a proof of claim.</i>	2.50	\$550.00	\$1,375.00
2025-05-28	CGL	<i>Administrative work including facilitating payment to company's employees.</i>	1.50	\$110.00	\$165.00
2025-05-28	DTI	<i>Review yard logs and forward to Company.</i>	0.10	\$250.00	\$25.00
2025-05-29	MMA	<i>Receipt, review, and approve accounts payable to contract and payroll staff. Email exchanges with counsel regarding Monitor's report.</i>	0.60	\$550.00	\$330.00
2025-05-29	CGL	<i>Administrative work including facilitating payment to company's employees.</i>	0.60	\$110.00	\$66.00
2025-05-30	MMA	<i>Review and approve payables.</i>	1.00	\$550.00	\$550.00
2025-05-30	CGL	<i>Administrative work including facilitating payment to company's employees.</i>	0.70	\$110.00	\$77.00
2025-05-30	DTI	<i>Review yard logs and forward to Company.</i>	0.10	\$250.00	\$25.00
2025-06-02	MMA	<i>Receipt, review and approve payables. Email exchanges with P. Shea (Gowling) regarding serving materials.</i>	0.70	\$550.00	\$385.00
2025-06-02	DTI	<i>Review yard logs and forward to Company.</i>	0.10	\$250.00	\$25.00
2025-06-03	MMA	<i>Receipt, review and approve payables.</i>	0.60	\$550.00	\$330.00
2025-06-03	CGL	<i>Administrative work including facilitating payment to company's employees.</i>	0.50	\$110.00	\$55.00
2025-06-03	DTI	<i>Review yard logs and forward to Company.</i>	0.10	\$250.00	\$25.00
2025-06-04	MMA	<i>Call with P. Shea (Gowling) regarding file. Receipt, review, and approve payables. Review materials in advance of drafting the First Report of the Receiver. Draft the Court report and emailed same to counsel for review.</i>	3.70	\$550.00	\$2,035.00
2025-06-04	CGL	<i>Administrative work including facilitating payment to company's employees.</i>	0.80	\$110.00	\$88.00
2025-06-04	DTI	<i>Review yard logs and forward to Company.</i>	0.10	\$250.00	\$25.00
Professional Services Total:			131.35		\$46,138.50

Barrie 705 722 5090 • Brampton 905 874 4905 • Downsview 416 633 1444 • Hamilton 905 527 2227 • London 519 902 2722 • Mississauga 905 602 4143
Oshawa 905 721 8251 • Peterborough 705 748 3333 • Scarborough 416 642 1363 • Toronto 416 778 8813 • Vaughan 647 288 7636
Saskatchewan 306 341 1660 • British Columbia 604 365 7434

APPENDIX “7”

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

**FALCON XPRESS TRANSPORTATION GROUP INC., FALCON
INVESTMENT GROUP INC., 6086 MAYFIELD INC. and 2593548
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

AFFIDAVIT OF CAROL LIU

I, **CAROL LIU**, of the City of Toronto, in the Province of Ontario, **MAKE
OATH AND SAY AS FOLLOWS:**

1. I am a lawyer with the law firm of Gowling WLG (Canada) LLP ("**Gowling**").
2. By Order of the Honourable Justice D. Derstine dated April 25, 2025 (the "**Appointment Order**"), msi Spergel inc. was appointed as receiver (the "**Receiver**") of the assets, undertakings and properties of Falcon Xpress Transportation Group Inc., Falcon Investment Group Inc., 6086 Mayfield Inc. and 2593548 Ontario Inc. (collectively "**Debtors**").
3. Pursuant to the Appointment Order, the Receiver retained Gowling as its independent legal counsel. Paragraph 19 of the Appointment Order provides that "the

Receiver and its counsel shall be paid their reasonable fees and disbursements, in each case at its standard rates and charges...".

4. Gowling's fees and disbursements for the period from May 15, 2025 to June 5, 2025 are summarized in the invoice (the "**Invoice**") rendered to the Receiver. The Invoice is a fair and accurate description of the services provided, the disbursements incurred, and the amounts charged by Gowling, and are calculated based on a reduced rate of Gowling's standard rates and charges. A copy of the Invoice is attached and marked as **Exhibit "A"**.

5. The total amount being claimed for the work performed by Gowling for the period from May 15, 2025 to June 5, 2025 is \$23,038.18, including \$20,169.00 for fees, \$232.40 for disbursements, and \$2,636.78 for HST.

6. The Receiver has estimated a fee accrual of \$50,000.00 for its fees and the fees of Gowling to complete the proceedings in connection with the debtors' motion returnable June 6, 2025.

7. This affidavit is sworn in support of the Receiver's Report and discharge, including approval of Gowling's fees and disbursements and fee accrual, and for no other purpose.

SWORN by Carol Liu of the City of Toronto,)
in the Province of Ontario, before me at the)
City of Toronto, in the Province of Ontario, on)
June 5, 2025.)
)
)
)
)
)
)
)

Commissioner for Taking Affidavits
(or as may be)

E. Patrick Shea (LSO# 439655K)



CAROL LIU

This is **Exhibit "A"** referred to
in the Affidavit of Carol Liu

Sworn this 5th
day of June, 2025.



.....
A Commissioner for Taking Affidavits

Invoice

MSI Spergel Inc.
ATTN: Mukul Manchanda
200 Yorkland Boulevard
Suite 1100
Toronto ON M2J 5C1

June 5, 2025
INVOICE: 20509290

Our Matter: G10052891 / 182919
RE: Falcon Xpress Transportation Group Inc.

		HST (13.0%)
Fees for Professional Services	\$20,169.00	\$2,621.97
Disbursements (Taxable)	113.95	
Disbursements (Non-Taxable)	<u>118.45</u>	
Total Disbursements	232.40	14.81
Total Fees and Disbursements	20,401.40	
Total Taxes	2,636.78	2,636.78
Total Invoice	23,038.18	
Please remit balance due:	In Canadian Dollars	\$23,038.18

Important Notice: Please Read

Please make all payments by wire transfer or electronic funds transfer (EFT)

Our complete banking details are on the remittance copy (last page) of this invoice. If you have any questions, please contact payments.ca@gowlingwlg.com

Rachel Moses

Signed for & on behalf of Gowling WLG (Canada) LLP

Our services are provided in accordance with our Terms of Business (www.gowlingwlg.com/TermsOfBusiness), subject to any other written engagement agreement entered into between the parties.

GOWLING WLG (CANADA) LLP
1 First Canadian Place, 100 King Street West,
Suite 1600, Toronto, Ontario, M5X 1G5, Canada
GST/HST: 11936 4511 RT

T +1 (416) 862 7525
gowlingwlg.com

Gowling WLG (Canada) LLP is a member of Gowling WLG, an international law firm which consists of independent and autonomous entities providing services around the world. Our structure is explained in more detail at www.gowlingwlg.com/legal

June 5, 2025
INVOICE: 20509290

MSI Spergel Inc.
Our Matter: G10052891
Falcon Xpress Transportation Group Inc.

PROFESSIONAL SERVICES

Date	Hours	Timekeeper	Description
2025-05-15	1.10	Rachel Moses	Communications with M. Manchanda re receivership; engaged in file review
2025-05-16	6.30	Rachel Moses	Engaged in file review; numerous communications with M. Manchanda, P. Gennis and P. Amaral re receivership order, powers, bank accounts, insurance, employees, re-financing and actions to be taken; communications with J. Nemers re receivership order; various communications with debtors' counsel, M. Simaan and M. Mann and cooperation with receiver and re-financing; call with M. Manchanda, debtors' counsel and counsel for lenders (Cameron Stephens, Pathway and BVD); engaged re title searches and registration of order on title; prepare correspondence to debtors and opposing counsel re delivery of property and records.
2025-05-16	1.20	Catherine E. Ridout	Receipt and review of email correspondence from R. Moses; conduct subsearches; review court order; obtain precedent statements for court order registration affecting all property of debtor; preparation of electronic registration form for registration of receiving order; provide copies of titles to R. Moses; obtain copies of mortgages and liens and provide to R. Moses; coordinate registration with K. Strong;
2025-05-16	0.50	Kirsty Strong	Reviewing draft Order to Appoint Receiver; Registering Order; Drafting correspondence circulating the registered Order;
2025-05-17	0.30	Rachel Moses	Communications with D. Markowitz, M. Mann and M. Simaan re debtors' list of creditors and motion to discharge receiver
2025-05-19	0.20	Rachel Moses	Communication from L. Scanlon re Pathward's draft closing statement
2025-05-20	0.10	Rachel Moses	Communication from J. Nemers re communication from J. Langveveld re related companies to debtors
2025-05-21	1.10	Rachel Moses	Communications with M. Manchanda re cash flow and debtors continuing to operate business; communication to debtors' customers re business operating despite receivership; communication with P. Kohli re businesses operating
2025-05-22	1.30	Rachel Moses	Communications with M. Mann, M. Simaan, L. Scanlon, D. Markowitz, and M. Manchanda re refinancing motion, escrow agreement, confirmation of lender funds, distribution

Terms: payment due within 30 days of invoice date
Interest at the rate of 3.3% per annum will be charged on all amounts not paid within 30 days of invoice date
Errors and omissions excluded

June 5, 2025
INVOICE: 20509290

			order, return date before Jude and next steps
2025-05-23	0.30	Rachel Moses	Communications with M. Simaan, M. Manchanda re employee payroll
2025-05-26	2.80	Rachel Moses	Communications with M. Manchanda, P. Kohli et al re amount and proof of funds for re-financing; Teams Call with P. Kohli re BDV and funds needed to continue fuel supply; communications with M. Simaan and L. Scanlon re court hearing date; Teams call with all counsel for companies and lenders re next steps; communications from J. Nemers re payout letter for RBC
2025-05-27	0.40	Rachel Moses	Engaged re materials for re-fi motion and discharge of receiver; communications with M. Simaan re draft materials and orders
2025-05-27	1.00	Patrick Shea	Prepare for and participate in conference call; follow-up after conference call
2025-05-28	1.40	Rachel Moses	Communications with M. Manchanda, P. Shea, M. Simaan, J. Rajzman re materials for refinancing motion and discharge of receiver; communication from J. Nemers re RBC payout numbers; communication from M. Manchanda re Malwa Welding claim for inclusion in affidavit; communications with M. Simaan and M. Manchanda re funding of debtors' operations; communications with J. Nemers re draft order and release of RBC
2025-05-28	2.60	Patrick Shea	Engaged re drafting of Refinancing and Discharge Order; engaged re communications
2025-05-29	1.30	Rachel Moses	Communications with M. Manchanda, P. Shea, M. Simaan, J. Nemers re refinancing motion, draft order and RBC position on order and requirements for release, etc.
2025-05-29	2.70	Patrick Shea	Engaged re discharge motion; amend draft order; internal and external communications; review and consider materials
2025-05-30	1.20	Rachel Moses	Communications with P. Kohli, M. Simann, D. M. Markowitz,, J. Rajzman, M. Mann and M. Manchanda re status of court date and request for further funding the week of June 2, 2025
2025-06-02	0.30	Rachel Moses	Communications from M. Manchanda re debtors' materials for refinancing motion; communication from D. Markowitz re escrow agreement
2025-06-02	0.20	Patrick Shea	Communications with client re refinancing
2025-06-02	0.60	Kirsty Strong	Reviewing draft DRA prepared for refinance of 6086 Mayfield Road, Caledon received from P. Shea; Drafting correspondence summarising document to P. Shea;
2025-06-03	1.10	Rachel Moses	Communications from A. Dhillon, M. Simaan, J. Nemers et al re follow up with RSJ in Brampton re hearing date and escrow agreement and procedure for refinancing; Communications with M. Manchanda, J. Nemers et al re refinancing and payout of RBC indebtedness

June 5, 2025
INVOICE: 20509290

2025-06-03	1.50	Patrick Shea	Engaged re refinancing and payout; internal and external communications
2025-06-04	0.40	Rachel Moses	Communications from A. Dhillon and Trial Coordinator re hearing for refinancing motion; communications with M. Manchanda re Receiver's Report and draft order; review responding materials
2025-06-04	2.30	Patrick Shea	Engaged re conference call; engaged re discharge order; internal and external communications
2025-06-05	2.30	Patrick Shea	Update discharge order; receive and review First Report; internal and external exngagement re funding

Total Fees for Professional Services \$20,169.00

DISBURSEMENTS

Taxable Costs

TeraView (Ontario) Online Searches & Registration - Taxable	\$113.95
Total Taxable Disbursements	<u>\$113.95</u>

Non-Taxable Costs

TeraView (Ontario) Online Searches & Registration - Agency	\$118.45
Total Non-Taxable Disbursements	<u>\$118.45</u>

June 5, 2025
INVOICE: 20509290

Remittance Copy

Client: 182919 MSI Spergel Inc.
Matter: G10052891
RE: Falcon Xpress Transportation Group Inc.
Amount Due: \$23,038.18 CAD

PAYMENT BY WIRE TRANSFER:

BENEFICIARY BANK: Canadian Imperial Bank of Commerce
BANK ADDRESS: 84 Bank Street, Ottawa, ON K1P 5N4
BANK NUMBER: 0010
TRANSIT NUMBER: 00186

BENEFICIARY ACCOUNT NAME: Gowling WLG (Canada) LLP
BENEFICIARY ADDRESS: 160 Elgin Street, Suite 2600, Ottawa ,ON K1P 1C3
BENEFICIARY ACCOUNT NUMBER(S): CDN Account: 4102916
USD Account: 0221015

BBCC/ ROUTING NUMBER: CC001000186
ADDITIONAL MANDATORY INFO: Invoice number(s)/Payment details
If your bank does not accept the BBCC as part of the wire instructions, it must be included in the notes with the Additional Mandatory Information.

For accurate and timely processing, email a copy of your payment confirmation to payments.ca@gowlingwlg.com

Additional information that may be required for payments from outside Canada:

Pay by Swift MT 103 Direct to SwiftCode: CIBCCATTXXX
For USD Payments from Foreign Banks our Wells Fargo Bank, N.A.
Intermediary US Corresponding bank is: BIC: PNBPU3NNYC
ABA:026005092

Wells Fargo is not the beneficiary bank. Our beneficiary bank is the Canadian Imperial Bank of Commerce.

PAYMENT BY CHEQUE:

REMIT TO: Gowling WLG (Canada) LLP
PO Box 466, STN D
Ottawa, ON K1P 1C3
Canada

Please return this page with your payment payable to Gowling WLG (Canada) LLP

PAYMENT BY Interac E-TRANSFER:

Please send payment to payments.ca@gowlingwlg.com
Include the invoice numbers/payment details in the notes section of the Interac e-transfer.
This will result in an automatic deposit to our account and no password is required.

If you receive another email or other electronic communication purporting to be from our firm changing details of the above payment information, please do not act on the communication but contact us immediately, as it is unlikely to be genuine and may be an attempted fraud.

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

-and-

FALCON XPRESS TRANSPORTATION GROUP INC. et al.

Respondents

Court File No. CV-25-00001464-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
BRAMPTON

AFFIDAVIT OF CAROL LIU

GOWLING WLG (CANADA) LLP

1 First Canadian Place
100 King Street West, Suite 1600
Toronto, ON M5X 1G5

E. Patrick Shea (LSO# 39655K)

patrick.shea@gowlingwlg.com

Tel: 416-369-7399

Rachel Moses (LSO# 42081V)

rachel.moses@gowlingwlg.com

Tel: 416-862-3630

Carol Liu (LSO# 84938G)

carol.liu@gowlingwlg.com

Tel: 416-862-4300

Lawyers for the Receiver, msi Spergel inc.

APPENDIX “8”

Division No. 32 - Mississauga
Court No. 32-159603
Estate No. 32-159603

**In the matter of the Receivership of
FALCON XPRESS TRANSPORTATION GROUP INC.
of the City of Caledon, in the Province of Ontario**

Receiver's Statement of Receipts and Disbursements
As at June 5, 2025

RECEIPTS

1	Miscellaneous		
	Cash in bank	519,269.92	
TOTAL RECEIPTS			519,269.92

DISBURSEMENTS

2.	Federal and Provincial taxes		
	HST on Ascend License Fee	169.00	
	HST Paid on Disbursements Exclusive of Fees	42,895.12	
	HST on Administrative Disbursement	314.60	
			43,378.72
3.	Miscellaneous		
	Ascend License Fee	1,300.00	
	Casual Labour	227,820.59	
	Filing fees paid to Official Receiver	335.84	
	Insurance	68,294.02	
	Property Taxes	16,679.00	
	Security	8,796.00	
	Travel	329.19	
	Wages	129,407.09	
		<u>452,961.73</u>	
TOTAL DISBURSEMENTS			496,340.45
Net Receipts over Disbursements			22,929.47
			E&OE

Dated at the City of Toronto in the Province of Ontario, this 5th day of June 2025.
msi Spergel inc. - Licensed Insolvency Trustee

1100-200 Yorkland Blvd.
Toronto ON M2J 5C1
Phone: (416) 497-1660 Fax: (416) 494-7199