

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE)	MONDAY, THE 9 TH DAY
)	
JUSTICE DERSTINE)	OF JUNE, 2025

BETWEEN:

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**

REFINANCING APPROVAL AND DISCHARGE ORDER

THIS MOTION, made by Falcon Express Transportation Group Inc., Falcon Investment Group Inc., 6086 Mayfield Inc. and 2593548 Ontario Inc. (collectively, the “**Debtors**”) for an order, amongst other things:

- (a) authorizing the Debtors, *nunc pro tunc*, to enter into the financing agreements listed on **Schedule “A”** hereto (the “**Financing Agreements**”), copies of which are attached to the Affidavit of Satbir Sidhu sworn May 2025 (the “**Sidhu Affidavit**”), and to complete the transaction contemplated by the Financing Agreements (the “**Transactions**”);

- (b) approving the fees and disbursements of msi Spergel inc. (the "**Receiver**"), in its capacity as the Court- appointed receiver, without security, of all of the assets, undertakings and properties of the Debtors (the "**Property**"), including an amount necessary to complete the administration of the receivership through to the Discharge of the Receiver as contemplated by this Order;
- (c) authorizing the and directing the Receiver to make certain payments to the Applicant and Canada Revenue Agency ("**CRA**"), and discharging the security of the Applicant and CRA upon payment of such amounts and deleting certain encumbrances from title to the real property described in PIN 14348-0627 (LT) (known municipally as 6086 Mayfield Road, in Caledon, Ontario) (the "**Mayfield Real Property**") and PIN 14213-0093 (LT) (known municipally as 11462 Coleraine Drive, in Brampton, Ontario) (the "**Coleraine Real Property**" and, together with the Mayfield Real Property the "**Real Property**"); and
- (d) discharging the Receiver on the filing by the Receiver of a Certificate substantially in the form of the Certificate Attached as **Schedule "B"** (the "**Discharge Certificate**"),

was heard this day by Videoconference at 7755 Hurontario Street, in Brampton, Ontario.

ON READING the Sidhu Affidavit and the exhibits thereto and the First Report of the Receiver dated June 5, 2025, including the appendices thereto, (the "**First Report**") of the Receiver, and on hearing the submissions of counsel for the Debtors, the Receiver and the Applicant, and such other parties as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service sworn May 26, 2025, filed,

1. **THIS COURT ORDERS AND DECLARES** that the Debtors be and are hereby authorized, *nunc pro tunc*, to bring this motion and that the time for service and filing of the notice of motion and the motion record be and are hereby abridged and validated so that this motion be and is properly returnable today and that further service thereof be and is hereby dispensed with.

2. **THIS COURT ORDERS** that the First Report and the actions of the Receiver described therein be and are hereby approved, including, without limitation, the Receiver's projected statement of receipts and disbursements appended thereto.
3. **THIS COURT ORDERS** that: (a) the fees and disbursements of the Receiver and its counsel, as described and allocated in the First Report and as set out in the fee affidavits appended thereto (the “**Professional Fees and Disbursement**”); and (b) the Fee Accrual (as defined and allocated in the First Report,) be and are hereby approved
4. **THIS COURT ORDERS AND DECLARES** that:
 - (a) the execution of the Financing Agreements by the Debtors be and is hereby authorized and approved, *nunc pro tunc*;
 - (b) the Debtors are authorized and directed to complete the Transactions, including granting the security over the Property contemplated by the Transactions, and, for greater certainty, any registrations made to perfect security interests in the Property, including the Real Property, are, assuming the Transactions are completed, valid notwithstanding any restrictions contained in the Order made on April 25, 2025 appointing the Receiver; and
 - (c) the Debtors and the lenders under the Transactions are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary to: (i) discharge the security granted to the Applicant; and (ii) make or effect the registration against the Real Property of any instruments or charge/mortgages of land contemplated by, resulting from or arising under the Transactions.
5. **THIS COURT ORDERS** that the on the making of this Order the proceeds received by the Debtors pursuant to the Transactions (the “**Transaction Proceeds**”) shall be paid or released to the Receiver for distribution: (a) to pay the Professional Fees and Disbursements and Fee Accrual; and (b) to pay to the Applicant and Canada Revenue Agency (“**CRA**”) the amounts set out on **Schedule “C”** (together, the “**Required Disbursements**”) in accordance with paragraph 6, below.

6. **THIS COURT ORDERS** that within one (1) business day of the making of this Order the Receiver shall distribute or pay the Transaction Proceeds plus any funds in the Receiver's trust account and the Debtors' bank accounts (the "**Available Funds**") to satisfy and pay in full the Required Disbursements.
7. **THIS COURT ORDERS** that the Receiver shall pay or release to the Debtor or as directed by the Debtor any remaining Available Funds after making the payments contemplated by paragraph 6 above.
8. **THIS COURT ORDERS** that within one (1) business day of the Receiver making the payments required by paragraph 6 above, the Receiver shall: (a) deliver to the Debtors a signed Discharge Certificate ; (b) file a copy of the Discharge Certificate with the Court; and (c) cause the registration of the Order made in these proceedings on April 25, 2025 against the Real Property to be discharged.
9. **THIS COURT ORDERS AND DECLARES** that upon the filing of the signed Discharge Certificate with the Court any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed securing the obligations owed by the Debtors to CRA as of the date of this Order are released and discharged.
10. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the appropriate Land Titles Division of the Mortgages in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, and upon being presented with an executed copy of the Discharge Certificate, the Land Registrar is hereby directed to delete and expunge from title to the Real Property all of the instruments listed on **Schedule "D"**.
11. **THIS COURT ORDERS** that, notwithstanding:
 - (a) the pendency of these proceedings;

- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of either of the Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of either of the Debtors,

the Transaction and the payments made to the Applicant and CRA contemplated by this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of either of the Debtors and shall not be void or voidable by creditors of either of the Debtor, nor shall the Transaction constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall the Transaction constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

12. **THIS COURT ORDERS AND DECLARES** that, upon the Receiver filing the signed Discharge Certificate with the Court

- (a) the Receiver shall be discharged as Receiver of the assets, undertakings and properties of the Debtors, provided however that notwithstanding its discharge herein: (i) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein; and (ii) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of the Receiver; and
- (b) the Receiver is hereby released and discharged from any and all liability that the Receiver now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of the Receiver while acting in its capacity as the Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, the Receiver is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership

proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.

13. **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.



Derstine J.

Schedule "A" - List of Financing Agreements

1. Loan Agreement dated May 13, 2025 between Pathward National Association and Falcon Xpress Transportation Group Inc.
2. “Loans, financing and credit provided to Falcon Xpress Transportation Group Inc., Falcon Motor Xpress Ltd., Falcon Motor Freight Ltd. and 6086 Mayfield Inc. as evidenced by an Amended and Restated Promissory Note due on January 15, 2026 (the “**BVD Promissory Note**”) payable to 2438231 Ontario Inc., BVD Petroleum Inc. and BVD Equipment Finance Inc. (collectively, the “**BVD Lenders**”), in the principal amounts of \$13,283,086.60 Canadian dollars and \$556,393.69 U.S. dollars, plus interest thereon at a rate of 12% per annum, as secured by a collateral mortgage in the amount of \$14 million, constituting a second fixed charge on lands and improvements located at 6086 Mayfield Road, Caledon, Ontario, a General Security Agreement, certain guarantees, share pledges and other security as more fully described in the BVD Promissory Note and any other loan, security and ancillary documentation executed in favour of the BVD Lenders.”

Schedule "B" - Form of Certificate

BETWEEN:

ROYAL BANK OF CANADA

Applicant

-and-

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

Respondents

DISCHARGE CERTIFICATE

RECITALS

- A. Pursuant to an Order of the Ontario Superior Court of Justice (the "**Court**") made April 25, 2025, the Receiver was appointed as receiver, without security, of all of the assets, undertakings and properties of the Debtors.
- B. Pursuant to an Order made June , 2025 (the "**Refinancing Approval and Discharge Order**"), the Court, among other things: (a) authorized the Debtors to enter into the Financing Agreements; and (B) provided for the discharge of the Receiver upon the payment by the Receiver of certain obligations of the Debtors from the Transaction Proceeds.
- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Refinancing Approval and Discharge Order.

THE RECEIVER CERTIFIES the following:

- 1. The Receiver has made the payments contemplated by the Refinancing Approval and Discharge Order.
- 2. This Certificate was delivered by the Receiver at on , 2025.

msi SPERGEL INC., solely in its capacity as the Court-appointed receiver of the Debtors, and not in its personal capacity or in any other capacity

Per:

Name: Title:

Schedule "C" - Payments to Applicant and CRA

Applicant/Royal Bank of Canada:

- (a) if the payout is completed on Friday (6 June 2025), a total of \$17,397,744.88 (CDN) plus \$23,386.18 (USD); and
- (b) if the payout is completed on Monday (9 June 2025), a total of \$17,408,549.60 (CDN) plus \$23,424.55 (USD).

Canada Revenue Agency: \$1,537,940.98

Schedule "D" - Instruments to Be Deleted from Title

Instruments to be deleted from PIN 14348-0627 (LT) – 6086 Mayfield Road, Caledon, Ontario

1. None

Instruments to be deleted from: PIN 14213-0093 (LT) - 11462 Coleraine Drive, in Brampton, Ontario

1. None

ROYAL BANK OF CANADA

-and- FALCON XPRESS TRANSPORTATION

Applicant

Respondents

Court File No. CV-25-00

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced

ORDER

KRAMER SIMAAN DILLON
Litigation Counsel
120 Adelaide Street West
Suite 2100
Toronto, Ontario
M5H 1T1

Micheal Simaan #41396
EMAIL: msimaan@kramer-simaan-dillon.com
TEL: (416)601-0965

Lawyers for the Respondents

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