



ONTARIO SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

**COUNSEL/ENDORSEMENT SLIP**

COURT FILE NO.: CV-24-00731252-00CL

DATE: December 3, 2024

NO. ON LIST: 5

TITLE OF PROCEEDING: Royal Bank of Canada v. J&R Transport Inc.

BEFORE: Justice Cavanagh

**PARTICIPANT INFORMATION**

**For Plaintiff, Applicant, Moving Party:**

Name of Person Appearing	Name of Party	Contact Info
Alexandra Teodorescu		<a href="mailto:ateodorescu@blaney.com">ateodorescu@blaney.com</a>
Jeremy Nemers	Royal Bank of Canada	<a href="mailto:jnemers@airdberlis.com">jnemers@airdberlis.com</a>
Calvin Horsten	Royal Bank of Canada	<a href="mailto:cho_hswaw@rudermanshaw.com">cho_hswaw@rudermanshaw.com</a>
Hugh Shaw	Toyota Canada	<a href="mailto:rsten@airdberlis.com">rsten@airdberlis.com</a>

**For Defendant, Respondent, Responding Party:**

Name of Person Appearing	Name of Party	Contact Info
Ravinder Brar	<i>Appeared for J&amp;R Transport</i>	<a href="mailto:info@jrtrans.ca">info@jrtrans.ca</a>

**ENDORSEMENT OF JUSTICE CAVANAGH:**

- [1] The Applicant, Royal Bank of Canada (“RBC”), brings this application for an order appointing msi Spergel inc. as receiver, without security, of all the assets, properties and undertakings of J&R Transport Inc. (the “Debtor”) acquired for, or used in relation to a business carried on by the Debtor, and all proceeds thereof.

- [2] The Debtor is a trucking company and owes RBC over \$7 million dollars. RBC made formal demand on the Debtor him was in, 2024, and has not been honoured.
- [3] When RBC's process server attended at the Debtor's place of business on November 18, 2024 in an attempt to serve the application record in respect of this application, the building's superintendent advised that the Debtor had moved out of the building on the first of the month. The Debtor was eventually served through personal service on its registered Director, Jalwinder Brar, at his home on November 20, 2024.
- [4] RBC was not contacted by the Debtor until approximately 30 minutes before the hearing of this application when counsel for RBC received a call requesting the Zoom link for this hearing.
- [5] At the hearing, Ravinder Brar appeared. He advised that he is the operations manager for the company and was speaking on its behalf. I asked whether he is a principal of the company or a shareholder, and Mr. Brar responded that he is an employee and was speaking on behalf of the owner, Jalwinder Brar. Mr. Brar said that the company was looking for legal representation and asked for a one month adjournment.
- [6] Counsel for RBC did not agree to an adjournment and expressed concern over any adjournment in the circumstances.
- [7] I declined the grant the requested adjournment for several reason. First, the application material was served on November 20 and no one from the Debtor contacted counsel for RBC about the scheduled hearing date until about 30 minutes before the hearing. This suggests to me that there was a strategy to delay the hearing of this application. Second, the Debtor, if not represented by legal counsel, should have been represented by someone other than an employee who, apparently, was taking instructions from the owner of the shares of the Debtor. No explanation was offered for why Jalwinder Brar did not appear. I have no way of knowing whether, in fact, Ravinder Brar is authorized to speak for the company. Third, the nature of RBC's security is such that any delay may result in prejudice to RBC if the collateral (trucks and trailers, apparently in the U.S.) is not secured as soon as possible. Fourth, there was no suggestion that any statements made in the evidence provided in support of this application are incorrect. In my view, the risk of prejudice to RBC from an adjournment, given the evidence before me, made it unjust to grant the requested adjournment.
- [8] The evidence in support of this application is found in the affidavit of Mark Lavecchia, a Senior Manager in the Special Loans & Advisory Services Department of RBC. This evidence is summarized in RBC's factum at paragraphs 7-21. This evidence shows that the Debtor is indebted to RBC in an amount exceeding \$7 million in connection with certain credit facilities made available to the Debtor by RBC. As security for its obligations to RBC, the Debtor granted a general security agreement in respect of which a registration was duly made pursuant to the *PPSA* which perfected RBC's security interest in all

collateral classifications other than consumer goods. All *PPSA* registrants against the Debtor were served with the application materials.

- [9] The Debtor's non-leasing credit facilities are repayable on demand. One or more events of default (as defined in the credit agreements) has also occurred, including the Debtor's failure to make the monthly scheduled payments to RBC under the leasing credit facilities.
- [10] On October 17, 2024, RBC made formal written demand on the Debtor (and Mr. Brar as guarantor) for payment of the amounts owed to RBC under the credit agreements and the personal guarantee. A notice of intention to enforce security pursuant to subsection 244(1) of the *BIA* accompanied the demand letter sent to the Debtor.
- [11] The demand indebtedness has not been repaid in full or in part.
- [12] RBC seeks the appointment of a receiver pursuant to subsection 243(1) of the *BIA* and s. 101 of the *Courts of Justice Act*. Both statutes allow the Court to appoint a receiver and manager where such appointment is "just or convenient".
- [13] In deciding whether the appointment of a receiver is just or convenient, the court must have regard to all of the circumstances but particular the nature of the property and the rights and interests of all parties in relation thereto, which includes the rights of the secured creditor under its security. When the rights of the secured creditor under its security include a specific right to appointment of a receiver, the burden on the applicant is relaxed. This is because the applicant is merely seeking to enforce the agreement that was assented to by both parties.
- [14] I am satisfied that it is just and convenient to appoint a receiver. RBC is contractually entitled to have a receiver appointed over the Debtor's assets upon default. Such default has occurred. The appointment of a receiver is necessary for the protection of the Debtor's estate and the interest of RBC as a secured creditor. The proposed receiver is a licensed insolvency trustee and has consented to act as the receiver should it be appointed.
- [15] Order to issue in form of Order signed by me today.