

Court File No. CV-24-00729106-00CL

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

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

– and –

MOORE BROTHERS TRANSPORT LTD.

Respondent

**AFFIDAVIT OF SUE MOORE**  
(Affirmed November 20, 2024)

I, Susan Moore, of the City of Mississauga, in the Province of Ontario, AFFIRM:

1. I swear this affidavit as a supplement to my previous affidavit affirmed November 12, 2024 (the “**November 12 Affidavit**”), to provide an update regarding Moore Brothers Transport Inc.’s (“**Moore Brothers**” or the “**Company**”) restructuring efforts and to clarify the factual record behind prior restructuring arrangements the Company made, including a transfer of certain assets to CBM Rentals Inc. (“**CBM**”). Capitalized terms used but not defined in this affidavit have the meanings in my November 12 Affidavit.

**Spergel’s Appointment and Report**

2. As discussed at paragraphs 19 and 20 of the November 12 Affidavit, at the Company’s suggestion, msi Spergel inc. (“**Spergel**”) was engaged just under two weeks

ago as interim private monitor. Moore Brothers has been meeting with Spergel representatives since its engagement and diligently providing responses to Spergel's information requests.

3. As was contemplated Spergel produced a report yesterday, November 19, 2024, outlining its view on the Company's financial picture. That report (the "**Spergel Report**") is attached (without schedules) as **Exhibit "A"**.

4. The Company believes that the Spergel Report, when considered in context and with some additional information, confirms the position the Company has taken over the past several months – that is, a restructuring to "right-size" the Company so that it can move forward to pay off the CRA and RBC is the best path forward to maximize recovery for all stakeholders. The Company continues to post strong monthly gross sales well in excess of a million dollars per month providing a viable means to carry out this restructuring plan. A liquidation of the Company's assets in a receivership simply does not provide the best path forward for anyone, including RBC.

#### **Transfer of Assets to CBM Rentals Inc.**

5. I wish to provide factual context and clarification regarding the transfer of assets to CBM in July 2024, which is described in the Spergel Report.

6. By July 2024, we were working on several different strategies to address the Company's financial challenges and to generate funds for the Company. We were taking those steps without the benefit of professional advice as we were attempting to be efficient and keep costs to a minimum. Based on our prior experience with the Company, we were

exploring the option of factoring and other financing to pay out RBC, and in this regard approached Ken Judd at eCapital Freight Factoring (eCapital) with which we had worked with previously. As well, we had heard about the option of sales and lease backs as a means of generating liquidity.

7. However, it soon became apparent that these ideas would ultimately not generate the necessary income to help Moore Brothers recover from its negative financial position – at that point we engaged Ira Smith Trustee & Receiver Inc. (“**Smith**”) and shortly after that we retained Tyr LLP as our lawyers to help with the Company’s restructuring efforts.

8. These ideas that we were exploring – factoring and sale and lease back – were being undertaken on the basis that the Company had assets that Company owned free and clear (the Company’s typical financing arrangements were based on an individual vehicle basis, such as equipment leasing). In fact, we were first dealing with RBC for equipment financing for specific vehicles when RBC approached the Company to take over our banking from Scotiabank. While we eventually agreed to move our banking over to RBC from Scotiabank, there were numerous challenges with the transition, and we did not fully appreciate the scope of RBC’s security interest under the new arrangements as we explored the various financing alternatives in the summer of 2024 as discussed above.

9. In addition, as part of our discussions with eCapital to find alternative financing, eCapital had sent an appraiser to the Company to appraise the value of the equipment. The appraiser was eventually given an insurance spreadsheet to use as the listing of the vehicles that the Company had. The appraiser marked the value of the assets that were marked as “owned” in the Insurance Spreadsheet and which we believed the Company

owned outright at just under \$1,200,000. A copy of the Insurance Spreadsheet (without the tabs containing personal information of identifiable individuals) that was amended by the appraiser to include his current appraisal of the “owned” equipment (see annotations in the two columns on the far right), is attached as **Exhibit “B”**. That valuation was of the owned assets by the appraiser was ultimately the basis of how the transaction was recorded in our books and records.

10. The transfer of assets to CBM was done in the context of the sale and lease back idea and we papered it as such by making the journal entries in the Company’s books and records that we thought were appropriate. There was no attempt to hide the transaction, which is why Spergel saw the transaction after we offered to allow it to review our books and records. While I now understand that RBC has “security interests” in that property, I wish to emphasize that the transfer was not intended to defeat RBC’s security interests or otherwise be under the radar, which is why Spergel readily saw the transaction in the Company’s books and records. Moore Brothers has continued to use the equipment as part of its own fleet as part of the Company’s ongoing business, and we move quickly to clarify and rectify the situation once we became aware of how that transfer would be viewed by others given the Company’s current financial situation and the potential implications of that transfer.

11. Attached to this affidavit as **Exhibit “C”** is an email sent by my one of our lawyers, Jason Wadden of Tyr LLP, earlier today (November 20, 2024), to counsel for RBC confirming that the Company will be taking immediate steps to formally have the assets back under Moore Brothers’ control, and that “for all intents and purposes, and for the

avoidance of any doubt as we move forward, those assets are being treated as part of RBC's security package.”

### **Update on Progress Made in the Company's Restructuring Efforts**

12. The Company continues to make meaningful progress towards restructuring, including a productive discussion with the Company's landlord earlier this week. The landlord indicated that they would be open to a rent reduction if the Company can sub-lease space to one of the many structural steel fabricators it has positive relationships with. The Company is now engaging with several structural steel fabricators and expects to have a material update on the status of these efforts soon.

13. The Company has also had positive discussions with numerous suppliers about reduced or interest-only payment terms – these discussions are ongoing, but the Company believes that a material positive update can also be made soon.

14. The Company also has a meeting scheduled for next Tuesday, November 26, with both Spergel and Smith to discuss the Company's financial picture and restructuring efforts.

**AFFIRMED BEFORE ME** by video conference by Susan Moore, before me at the City of Toronto, in the Province of Ontario, on November 20, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely



**SUSAN MOORE**

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Shimon Sherrington  
Commissioner for Taking Affidavits  
(or as may be)

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**SUSAN MOORE**

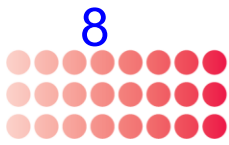
This is **Exhibit "A"** referred to in the Affidavit of **Susan Moore**  
affirmed this 20<sup>th</sup> day of November 2024



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Shimon Sherrington

Commissioner for Taking Affidavits  
(or as may be)



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## **REPORT TO THE ROYAL BANK OF CANADA REGARDING**

**MOORE BROTHERS TRANSPORT LTD.**

**November 19, 2024**

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 74 34





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- A. Fully Executed Engagement Letter
- B. Information Request Letter
- C. Financial Statements for Fiscals 2021, 2022 and 2023
- D. Spreadsheet containing Balance Sheets as at May 31, 2024, June 30, 2024, July 31, 2024, August 31, 2024, September 30, 2024 and October 31, 2024
- E. Spreadsheet containing list of Transferred Assets along with net book value and appraised value
- F. The Cash Flow Forecast
- G. The Borrowing Certificate
- H. The November AR
- I. The Source Deduction Statement of Account
- J. Copies of communication between TD and the Company
- K. Copies of communication between BMO and the Company
- L. Copies of communication between TIP/TEN and the Company



## I. BACKGROUND AND PURPOSE OF THIS REPORT

1. This report (this “**Report**”) is prepared by msi Spergel inc. (“**Spergel**”) in its capacity as the consultant (in such capacity, the “**Consultant**”), engaged by the Royal Bank of Canada (“**RBC**” or the “**Bank**”). Spergel was engaged by RBC, with the consent of Moore Brothers Transport Ltd. (the “**Company**”), pursuant to an engagement letter dated October 28, 2024 and fully executed on October 31, 2024 (the “**Engagement Letter**”), to, amongst other things,
  - a) review and report on financial and operational performance of the Company; and
  - b) evaluate the Bank’s security position.

A copy of the Engagement Letter is attached to this Report as **Appendix “A”**.

2. The Company’s corporate profile report provides that the Company is a privately-owned corporation registered under *Ontario’s Business Corporations Act* with a registered head office in Inglewood, Ontario. Susan Moore (“**Susan**”) is the Company’s sole director and Susan and Ronald Moore (“**Ronald**”) are the Company’s officers.
3. RBC, a secured creditor of the Company, brought an application, returnable on October 24, 2024, in the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) for a Court order appointing Spergel as the receiver, without security, of all of the assets, undertakings and properties of the Company. Following submission of counsel for RBC and counsel for the Company, the Honourable Mr. Justice Black issued an endorsement on October 24, 2024 ordering that:
  - a) an appointment on December 9, 2024, is set for the return of RBC’s application to appoint a receiver;
  - b) parties will “check in” at a further 9:30 appointment on November 5, 2024;
  - c) the expectation is that by November 5, 2024, the Company’s positions, and whether or not it will oppose the application (and if so in what respect), will be crystallized and materials, if any, will be delivered; and
  - d) the parties will continue discussions, and the Company will deliver an updated borrowing base certificate by October 25, 2024.

4. Counsel for RBC and counsel for the Company attended in Court on November 5, 2024 for a scheduling hearing and as a result the Honourable Madam Justice Steele issued an endorsement on November 5, 2024 ordering a litigation schedule as follows:
  - a) responding materials of the Company be delivered by November 12, 2024;
  - b) reply materials of RBC, if any, be delivered by November 19, 2024; and
  - c) factums and cross examinations to be done in accordance with the Rules (collectively, the "**Litigation Schedule**").
5. Given the Litigation Schedule, the Consultant has prepared this Report with the information provided to it by the Company on or before November 16, 2024.

## II. **RESTRICTIONS AND LIMITATIONS**

6. This Report is not to be used for any other purpose and msi Spergel inc. specifically disclaims any responsibility for loses or damages incurred through the use of this Report for a purpose other than as described herein. It should not be reproduced in whole or in part without the express written permission of the Consultant.
7. The Consultant has not conducted an audit of any of the financial information contained herein, nor has the Consultant independently verified representations made to us by management, except where otherwise stated.
8. The Consultant reserves the right, but will be under no obligation, to review and/or revise the contents of this Report in light of information which becomes known to the Consultant after the date of this Report.

## III. **SCOPE OF WORK**

9. The Engagement Letter sets out our services including a summary of the scope of our work.
10. The Consultant has relied upon unaudited financial information supplied to it by management, specifically Paul Guentner and Susan. The information has not been audited or otherwise verified by us as to its accuracy or completeness, not has it been prepared in accordance with Generally Accepted Accounting Principles. The information in this Report is intended to assist the bank. This Report is for the exclusive use of the Bank and is not to be used or relied upon by any third party.



11. The Consultant did not consider issues other than those set out in the Engagement Letter. In particular, specialist services were excluded from the scope of our work, including but not limited to detection of fraud and identification of environmental issues.
12. The profit and cash flow forecast and projections in this Report relate to future events and are based on management's assumptions, which may not remain valid throughout the period of the projection. Consequently, they cannot be relied upon to the same extent as information derived from the reviewed accounts for completed accounting periods. For these reasons, we express no opinion as to how closely the actual profits and cash flows achieved will correspond to the forecast and projections.
13. All references to dollar amount in this Report are approximate and in Canadian dollars unless otherwise stated.
14. A draft copy of this Report was provided to the Company for review and comments.

#### IV. FINANCIAL INFORMATION

15. Immediately after the execution of the Engagement Letter, the Consultant, on November 1, 2024, sent a letter to the Company outlining the initial financial information required (the "**Information Request Letter**") to commence the mandate. A copy of the Information Request Letter is attached to this Report as **Appendix "B"**.
16. Since the issuance of the Information Request Letter and up until the end of day on November 16, 2024, the Consultant received and reviewed the following financial information from the Company:
  - a) Externally prepared financial statements for the periods from August 1, 2020 to July 31, 2021 ("**Fiscal 2021**"), August 1, 2021 to July 31, 2022 ("**Fiscal 2022**") and August 1, 2022 to July 31, 2023 ("**Fiscal 2023**") along with the copies of the corporate tax returns.
  - b) The Consultant notes that it was not provided with either externally or internally prepared financial statements for the period from August 1, 2023 to July 31, 2024 ("**Fiscal 2024**"). Accordingly, the Consultant has carried out its analysis based on the limited information available for Fiscal 2024;
  - c) Internally prepared income statement for the months May 2024 to October 2024;
  - d) Internally prepared balance sheet as at May 31, 2024, June 30, 2024, July 31, 2024, August 31, 2024, September 30, 2024 and October 31, 2024;



- e) Aged accounts receivable listing as at November 12, 2024 and an aged accounts receivable listing on a monthly basis for twelve months prior to September 2024. The Consultant was not provided with an accounts receivable listing as at October 31, 2024;
- f) Bank statements for account(s) operated at The Bank of Nova Scotia ("**Scotiabank**") for the period from November 2023 to October 2024;
- g) Bank statements for account(s) operated at RBC for the period from January 2024 to October 2024;
- h) List of assets as at August 2024 transferred to CBM Rentals ("**CBM**"), a company owned and operated by Susan's and Ronald's son;
- i) List of assets as at June 2024 that were written off as scrap;
- j) A complete and current fixed asset continuity schedule was not provided by the Company.
- k) Aged accounts payable listing as at November 12, 2024 and an aged accounts payable listing on a monthly basis for six months prior to September 2024. The Consultant was not provided with an accounts payable listing as at October 31, 2024;
- l) Borrowing limit certificate for the period ending October 2024 submitted to RBC;
- m) A cash flow forecast for the period from October 1, 2024 to October 1, 2025;
- n) A forecasted (including actuals for the period from August 1, 2024 to October 31, 2024) income statement for the period from August 1, 2024 to July 31, 2025 ("**Fiscal 2025**");
- o) Copies of lease agreements for the premises leased by the Company;
- p) A copy of the payroll examination statement of account dated October 23, 2024 received from Canada Revenue Agency ("**CRA**"); and
- q) Certain demand letters and communications with other lenders including but not limited to, The Toronto-Dominion Bank ("**TD**") and the Bank of Montreal ("**BMO**").



17. The analysis of the financial information provided by the Company is provided in greater detail below in this Report.

## V. COMPARISON OF HISTORICAL AND FORECASTED INCOME STATEMENTS

18. Set out below is a summary of Statement of Operations of the Company for Fiscal 2021, Fiscal 2022, Fiscal 2023, Fiscal 2024 (only net loss available from the balance sheet as at July 31, 2024 provided by the Company) and forecasted Statement of Operations for Fiscal 2025 (see Appendix "C").

Income Statement	Moore Brothers Transport Ltd.									
	31-Jul-25		31-Jul-24		31-Jul-23		31-Jul-22		31-Jul-21	
<b>Revenue</b>										
Sales	12,606,539		-		16,409,695		15,242,496		11,951,020	
	<b>12,606,539</b>				<b>16,409,695</b>		<b>15,242,496</b>		<b>11,951,020</b>	
<b>COST OF SALES</b>										
Advertising and promotion	-	0.00%	-		138,931	0.85%	105,384	0.69%	64,918	0.54%
Amortization	685,469	5.44%	-		1,179,145	7.19%	998,408	6.55%	881,449	7.38%
Bad debts	4,500	0.04%	-		10,000	0.06%	-5077	-0.03%	15,000	0.13%
Donations	-	0.00%	-		28,469	0.17%	22,928	0.15%		0.00%
Employee benefits	-	0.00%	-		164,525	1.00%	155,764	1.02%	137,746	1.15%
Salaries and wages	1,125,571	8.93%	-		4,108,322	25.04%	3,914,559	25.68%	3,510,598	29.37%
Management salaries	-	0.00%	-		593,709	3.62%	548,959	3.60%	504,927	4.22%
Owner operators	5,659,457	44.89%	-		3,782,273	23.05%	2,851,875	18.71%	1,752,881	14.67%
Insurance	390,489	3.10%	-		690,568	4.21%	273,340	1.79%	291,613	2.44%
Interest and bank charges	524,821	4.16%	-		48,590	0.30%	31,714	0.21%	52,020	0.44%
Interest on operating line	-	0.00%	-		92,977	0.57%	37,610	0.25%		0.00%
Interest on capital lease	-	0.00%	-		240,028	1.46%	162,637	1.07%	205,741	1.72%
Interest on long term debt	-	0.00%	-		21,987	0.13%	17,382	0.11%	7,006	0.06%
Interest on BDC loan	-	0.00%	-		18,582	0.11%	9,865	0.06%	11,359	0.10%
License and permits	276,362	2.19%	-		272,779	1.66%	278,605	1.83%	285,554	2.39%
Occupancy costs	525,715	4.17%	-		632,231	3.85%	654,617	4.29%	185,816	1.55%
Office and general	481,732	0.00%	-		433,234	3.62%	310,712	3.60%	194,355	4.22%
Professional fees	-	0.00%	-		78,749	0.48%	74,058	0.49%	159,450	1.33%
Telecommunications	242,876	1.93%	-		229,492	1.40%	167,739	1.10%	132,431	1.11%
Vehicle and equipment rental	299,399	2.37%	-		611,097	3.72%	374,088	2.45%		0.00%
Vehicle fuel expense	1,588,570	12.60%	-		1,618,154	9.86%	1,964,389	12.89%	269,899	2.26%
Vehicle operating expenses	659,238	5.23%	-		969,779	5.91%	1,266,325	8.31%	2,670,056	22.34%
Other vehicle expenses	146,740	1.16%	-		589,114	3.59%	380,383	2.50%		0.00%
	12,610,940	100.03%			16,552,735	100.87%	14,596,264	95.76%	11,332,819	94.83%
<b>Income From Operations</b>	<b>(4,401)</b>	<b>-0.03%</b>	<b>-</b>		<b>(143,040)</b>	<b>-0.87%</b>	<b>646,232</b>	<b>4.24%</b>	<b>618,201</b>	<b>5.17%</b>
<b>Other Income</b>										
Miscellaneous Income	\$ 381,661		-		-		-		-	
Gain/Loss on disposal of assets	(1,166,745)		-		-		-		-	
<b>Net Income (loss)</b>	<b>\$ (789,484)</b>	<b>-6.26%</b>	<b>\$ (2,202,484)</b>		<b>\$ (143,040)</b>	<b>-0.87%</b>	<b>\$ 646,232</b>	<b>4.24%</b>	<b>\$ 618,201</b>	<b>5.17%</b>

The chart above indicates that:

- the Company reported a net loss of **(\$2,202,484)** in Fiscal 2024 and a net loss of **(\$143,040)** on revenue of \$16,409,695 in Fiscal 2023. The Company reported



a net profit of \$646,232 and \$618,201 in Fiscal 2022 and Fiscal 2021, respectively.

- the Company is forecasting to incur a net loss of **(\$789,484)** for Fiscal 2025 mainly due to the loss on disposal of assets to CBM, a related party. During the course of its mandate the Consultant was provided with internally prepared balance sheets as at May 31, 2024, June 30, 2024, July 31, 2024, August 31, 2024, September 30, 2024 and October 31, 2024. A spreadsheet containing these balance sheets is attached to this Report as **Appendix “D”**. A review of these balance sheets indicated, among other things, that:
  - the fixed assets decreased from \$7,067,661.39 in July 2024 to \$4,741,853.96 in August 2024;
  - the Company recorded a note receivable of \$1,100,000 from CBM in August 2024; and
  - the Company recorded a loss on disposal of assets of \$1,166,744.85 in August 2024.

A discussion with the management revealed that, in or around July 2024, the Company transferred fixed assets of net book value of \$2,266,745 to CBM. The Company provided a spreadsheet which indicated:

- a total of 116 assets were transferred to CBM (collectively, the “**Transferred Assets**”);
- net book value of the Transferred Assets was \$2,266,745;
- purported appraised value of the Transferred Assets was \$1,743,502;
- the Transferred Assets were not subject to any capital lease obligations but were encumbered by the general security agreement of the Bank;
- no cash consideration was paid by CBM for Transferred Assets;
- CBM issued a promissory note in the amount of \$1,100,000 as consideration for the Transferred Assets. A copy of the promissory note has not been provided to the Consultant and the Consultant is not aware of the payment terms, if any, underlying the promissory note;





- a loss on disposal of Transferred Assets of \$1,166,745 (being the difference between the net book value of Transferred Assets and the value of the promissory note) was recorded in the Company's income statement for August 2024.

Copy of the spreadsheet containing list of Transferred Assets along with net book value and appraised value is attached to this Report as **Appendix "E"**. The Consultant requested the full legal name of CBM, Vehicle Identification Numbers, mileage and copy of appraisal for each of the Transferred Asset but is yet to receive that information.

The Company did not provide any legitimate reason to transfer assets to CBM. In addition, the Company advised that it plans to rent back the Transferred Assets from CBM on a go forward basis which will result in the Company paying rent for assets that it owned and for transfer of which it did not receive any cash consideration. The transfer of assets to CBM and the impacts of same on stakeholders are obvious. Even if the appraised value of the Transferred Assets is accepted by the stakeholders, the actions of the Company leave the stakeholders worse off by at least \$1,743,502. In a liquidation scenario, these actions of the Company could potentially cause stakeholders to expend unnecessary additional expenses to have any chance of recovery with respect to the Transferred Assets.

- the Consultant has been advised that the sale of \$12,606,539 for Fiscal 2025 have been forecasted solely based on the historical performance of the Company. The Consultant understands that there are certain sales orders on hand, but majority of the sale forecast is based on historical performance of the Company. The Company recorded \$1,158,735.08 as sales in August 2024, \$936,309.80 as sales in September 2024 and \$1,002,676.62 as sales in October 2024. Based on the actual results for months of August, September and October it would appear the sale forecast for Fiscal 2025 may be achievable.
- the forecasted expenses for Fiscal 2025 indicate significant decreases in certain expenses as compared to Fiscal 2023. The Consultant was not provided with Fiscal 2024 financials as such the Consultant has conducted the variance analysis based on Fiscal 2023 financial information. Below is a chart outlining the forecasted decreases in Fiscal 2025 for certain expenses as compared to Fiscal 2023:



Variance	Moore Brothers Transport Ltd.		
	31-Jul-25	31-Jul-23	Variance
<b>Advertising and promotion</b>	-	138,931	(138,931)
<b>Amortization</b>	685,469	1,179,145	(493,676)
<b>Salaries &amp; Owner operators</b>			
Employee benefits	-	164,525	
Salaries and wages	1,125,571	4,108,322	
Management salaries	-	593,709	
Owner operators	5,659,457	3,782,273	
	<b>6,785,028</b>	<b>8,648,829</b>	<b>(1,863,801)</b>
<b>Insurance</b>	390,489	690,568	(300,079)
<b>Occupancy costs</b>	525,715	632,231	(106,516)
<b>Professional fees</b>	-	78,749	(78,749)
<b>Vehicles</b>			
Vehicle and equipment rental	299,399	611,097	
Vehicle fuel expense	1,588,570	1,618,154	
Vehicle operating expenses	659,238	969,779	
Other vehicle expenses	146,740	589,114	
	<b>2,693,947</b>	<b>3,788,144</b>	<b>(1,094,197)</b>

- The above chart indicates that:
  - the Company is forecasting to incur no expenses for advertising and promotion in Fiscal 2025 resulting in a saving of \$138,931 as compared to Fiscal 2023.
  - the Company is forecasting a decrease in amortization expense of \$493,676 in Fiscal 2025 as compared to Fiscal 2023. This decrease may be artificial as it appears that the decrease may be directly attributable to the Transferred Assets.
  - the Company is forecasting a combined decrease in salaries & owner operator expense of \$1,863,801 in Fiscal 2025 as compared to Fiscal 2023. The Company has advised that it has undertaken initiatives to reduce its staffing levels and as a result expecting a savings of \$720,000 on an



annualized basis however the decrease is significantly higher than the expected savings. A portion of the decrease in this expense may be justified due to the variable nature of the expense but without supporting documents, it is impractical for the Consultant to comment on same.

- the Company is forecasting a decrease in insurance of \$300,079 as compared to Fiscal 2023. It would appear that this saving could be directly as a result of the Transferred Assets.
- the Company is forecasting a decrease in occupancy cost of \$106,516 as compared to Fiscal 2023. The Company has advised that it is in discussions with the landlord regarding a reduction of rent or subletting a portion of the premises. As at the date of this Report, no arrangements have been made with the landlord.
- the Company is forecasting nil in professional fees for Fiscal 2025. This appears optimistic as historically the Company has spent approximately \$80,000 in professional fees on an annual basis. Given the Company is contemplating a formal restructuring and has engaged legal counsel and insolvency professional, the professional fees are expected to be significantly higher than historical average of \$80,000.
- lastly, the Company is forecasting a combined decrease in vehicle expenses of \$1,094,197 as compared to Fiscal 2023. It would appear that this saving could be directly as a result of the Transferred Assets.
- It is also unclear whether the Transferred Assets are being used outside of the operations of the Company to generate revenue for the benefit of CBM.

## VI. CASH FLOW FORECAST

19. The Company provided the Consultant with a cash flow forecast (the “**Cash Flow Forecast**”) for the period from October 1, 2024 to October 1, 2025 (the “**Forecasted Period**”). A copy of the Cash Flow Forecast is attached to this Report as **Appendix “F”**.
20. The Cash Flow Forecast indicates, amongst other things, that:
  - a) the Company is forecasting to remain cash flow positive during the Forecasted Period; and



- b) the Company is forecasting to pay \$1,080,000 to CRA with respect to the outstanding source deductions during the Forecasted Period;
21. The Consultant noted the following issues with respect to the Cash Flow Forecast:
- a) it did not have an integrated income statement and balance sheet;
  - b) it did not provide underlying assumptions and the documents to support such assumptions; and
  - c) the Company advised that a revised version of the Cash Flow Forecast will be made available next week.
22. Given the variances noted in section V of this Report with respect to the forecasted reduction in expenses in Fiscal 2025 and the above issues noted regarding the Cash Flow Forecast, it is impractical for the Consultant at this time to report on the reasonableness of the Cash Flow Forecast.

## VII. **BORROWING BASE AND BANK ACCOUNTS**

### **Borrowing Base**

23. As ordered by the Honourable Mr. Justice Black, the Company provided a borrowing limit certificate for the period ending October 2024 (the “**Borrowing Certificate**”) to RBC on October 25, 2024. A copy of the Borrowing Certificate is attached to this Report as **Appendix “G”**. the Consultant notes that the Company did not provide any reports in support of the Borrowing Certificate including but not limited to accounts receivable aging, accounts payable aging and any priority claims reporting.
24. The Borrowing Certificate indicates that:
- a) the Company had accounts receivable of approximately \$2,108,000;
  - b) the marginable value of the accounts receivable (generally 75% of accounts receivable aged under 90 days) was \$1,577,000;
  - c) the Company owed approximately \$320,000 with respect to outstanding *Harmonized Sales Tax* (“**HST**”) liability;



- d) the Company owed approximately \$1,052,000 with respect to outstanding source deductions;
  - e) based on the above, the borrowing limit availability under the RBC line of credit was \$205,000;
  - f) the Company was borrowing approximately \$2,247,000 under the RBC line of credit; and
  - g) the margin shortfall with respect to the borrowings was \$2,042,000.
25. The Consultant was provided with an accounts receivable listing as at November 12, 2024 (the “**November AR**”). A copy of the November AR is attached to this Report as **Appendix “H”**.
26. The November AR indicates an accounts receivable of \$1,716,307. Based on the November AR and existing priority payables with respect to HST and source deductions, it appears that the Company has no availability to borrow funds under the terms of the RBC line of credit.

### **Bank Accounts**

27. The Consultant was provided with the bank statements for account(s) operated at Scotiabank for the period from November 2023 to October 2024 and account(s) operated at RBC for the period from January 2024 to October 2024.
28. The Company has advised that it is currently utilizing its account(s) with Scotiabank for its day-to-day banking. The balance in the Company’s Scotiabank account as at October 31, 2024 was \$182,043.88. Whereas the balance in the Company’s RBC account as at October 31, 2024 was \$66,298.37.

## **VIII. PRIORITY PAYABLES**

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### **Payroll Liability**

29. The Company is behind in its source deductions payments. The Consultant was provided with a copy of the payroll examination statement of account dated October 23, 2024 received from CRA indicating an outstanding balance of \$1,073,421.62 (the “**Source Deduction SOA**”). A copy of the Source Deduction SOA is attached to this Report as **Appendix “I”**.



**HST**

30. The Company is behind in its HST payments. The Company has advised that it owes approximately \$320,000 with respect to outstanding HST however no documents have been provided to substantiate the amount outstanding for HST.
31. The Consultant was provided an accounts payable listing as at November 12, 2024 (the “**November AP**”). The November AP indicated a balance of \$464,111. It should be noted that the CRA has the ability under Excise Tax Act to disallow the input tax credit claimed on unpaid accounts payable thereby increasing the HST liability underlying the outstanding accounts payable.

**Vacation Pay**

32. The internally prepared balance sheet as at September 30, 2024 indicated an amount of \$63,229.14 outstanding with respect to vacation pay. Under the *Employment Standards Act of Ontario*, outstanding vacation pay is a deemed trust claim up to a maximum of \$10,000 per employee.

**IX. CREDITORS****Royal Bank of Canada**

33. The Consultant understands that as of November 15, 2024, the Company owes RBC \$3,308,836.90 (errors and omissions excepted) as follows:

	Outstanding (as of Nov-15, 2024)	Monthly Payments	Annual Commitments	Comments
Operating Line	\$ 2,254,701.36	\$ 13,058.48	\$ 156,701.74	Margined facility with a deficit of approx. \$2MM based on Borrowing Base as at Oct 24, 2024
Term Loan	\$ 153,433.27	\$ 7,824.08	\$ 93,888.96	
Auto Finance Term	\$ 16,872.70	\$ 1,146.59	\$ 13,759.08	
Operating Leases	\$ 551,029.57	\$ 19,329.00	\$ 231,948.00	Consists of three leases outstanding
Visa Facility <sup>1</sup>	\$ 332,800.00	\$ 33,280.00	\$ 399,360.00	Various visas over authorized limit
	\$ 3,308,836.90	\$ 74,638.15	\$ 895,657.78	

<sup>1</sup> Monthly payments on visa facility estimated based on 10% of outstanding balance

**The Toronto-Dominion Bank**

34. The Consultant has been advised that TD requested that its equipment be returned, and the Company has either made arrangements to return same or is in the process of making arrangements. Copies of communication between the Company and TD are attached to this Report as **Appendix “J”**.

**The Bank of Montreal**

35. On October 18, 2024, BMO sent a demand notice to the Company demanding repayment of \$281,515.90. The Consultant has been advised that the Company has made payment arrangements with BMO with respect to the assets leased from BMO. Copies of communication between the Company and BMO are attached to this Report as **Appendix “K”**.

**TIP Canada / Transportation Equipment Network (“TIP/TEN”)**

36. On October 15, 2024, TIP/TEN sent a demand notice to the Company advising that unless payment in full of the Company’s account is made and all TIP/TEN equipment is returned no later than noon on Wednesday October 23, 2024, TIP/TEN will consider court action to realize on its security. The Consultant has been advised that the Company has made arrangements to return the TIP/TEN trailers. Copies of communication between the Company and TIP/TEN are attached to this Report as **Appendix “L”**.

Respectfully submitted,

**msi Spergel inc.,**

Per:



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Mukul Manchanda, CPA, CIRP, LIT  
Managing Partner



| **SPERGEL**

This is **Exhibit "B"** referred to in the Affidavit of **Susan Moore**  
affirmed this 20<sup>th</sup> day of November 2024



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Shimon Sherrington

Commissioner for Taking Affidavits  
(or as may be)



by 10:00:00/02/2024

UNIT #	YEAR	MAKE/MODEL	SERIAL NUMBER	TYPE OF UNIT	Milaage	Safety Due	Current Value of Equipment	Annual Amortization	NBV@July 31 2024	Owned / Leased	Lessee	Lease Amount @July 31 2024
130	2014	Mack Tractor	1M1AW07Y1EM038156	Heavy Commercial Tractor	56212 kms	Nov 30 2024	\$70,000.00	\$5,671.31	\$46,594.00	Owned		\$ 22,000.00
133	2015	Kenworth Tractor	1XKDD40X9FJ977978	Heavy Commercial Tractor	910682 kms	Oct 31 2024	\$70,000.00	\$10,375.60	\$50,075.00	Owned		\$ 28,000.00
140	2006	W900 Kenworth	1XKWD40XX6J988379	Heavy Commercial Tractor	1245395 kms	July 25 2025	\$20,000.00	\$0.00	\$3,000.00	Owned		\$ 12,000.00
141	2007	Mack Tractor	1M1AK07Y57N016038	Heavy Commercial Tractor	74096 kms	Shunt Truck	\$20,000.00	\$0.00	\$5,900.00	Owned		\$ 5,000.00
143	2019	Mack Tractor	1M1AN4G4Y8KM004995	Heavy Commercial Tractor	361729kms	June 28 2025	\$90,000.00	\$17,173.60	\$53,015.00	Owned		\$ 35,000.00
144	2019	Mack Tractor	1M1AN4G4Y8KM004996	Heavy Commercial Tractor	445358kms	Sept 30 2024	\$90,000.00	\$17,173.60	\$55,101.05	Owned		\$ 35,000.00
147	2015	Mack Tractor	1M1AW07Y8FM045588	Heavy Commercial Tractor	632199kms	Aug 30 2024	\$65,000.00	\$9,999.31	\$28,742.00	Leased	RCAP Leasing	\$ 24,000.00
148	2015	Mack Tractor	1M1AW07YXFM045592	Heavy Commercial Tractor	639360 kms	Feb 28 2025	\$65,000.00	\$9,999.31	\$25,500.00	Leased	RCAP Leasing	\$ 24,000.00
149	2015	Mack Tractor	1M1AW07Y5FM045595	Heavy Commercial Tractor	590408kms	July 30 2025	\$65,000.00	\$9,999.31	\$38,058.00	Leased	RCAP Leasing	\$ 24,000.00
151	2015	Mack Tractor	1M1AW07Y8FM046188	Heavy Commercial Tractor	558043 kms	Jan 31 2025	\$65,000.00	\$10,000.60	\$25,219.00	Owned		\$ 24,000.00
152	2015	Mack Tractor	1M1AW07Y4FM045314	Heavy Commercial Tractor	773574kms	Oct 31 2024	\$65,000.00	\$10,000.60	\$21,397.00	Owned		\$ 24,000.00
153	2015	Mack Tractor	1M1AW07Y5FM045581	Heavy Commercial Tractor	393035kms	Nov 30 2024	\$65,000.00	\$10,000.60	\$29,027.00	Owned		\$ 24,000.00
154	2024	Kenworth Tractor	3WKZD40X9RF957405	Heavy Commercial Tractor	110842 kms	Mar 31 2025	\$240,000.00	\$27,087.32	\$199,760.00	Leased	LBC Capital	\$176,538.36
155	2024	Kenworth Tractor	3WKZD40X5RF957739	Heavy Commercial Tractor	125088kms	Mar 31 2025	\$240,000.00	\$27,087.32	\$199,760.00	Leased	LBC Capital	\$176,538.36
156	2024	Kenworth T800	3WKZD40X9RF987360	Heavy Commercial Tractor	60972kms	Oct 31 2024	\$240,000.00	\$13,684.03	\$227,770.97	Leased	CWB Leasing	\$221,854.66
157	2024	Kenworth T800	3WKZD40X4RF987363	Heavy Commercial Tractor	42464 kms	Oct 31 2024	\$240,000.00	\$13,684.03	\$227,770.97	Leased	CWB Leasing	\$221,854.66
158	2024	Kenworth T800	3WKZD40X0RF987361	Heavy Commercial Tractor	52754 kms	Oct 31 2024	\$240,000.00	\$13,684.03	\$227,770.97	Leased	CWB Leasing	\$221,854.66
200	2017	Freightliner Tractor	3AKJGND15HDA0347	Heavy Commercial Tractor	557972 kms	Apr 30 2025	\$160,000.00	\$17,555.40	\$32,826.00	Owned		\$ 22,000.00
201	2019	Kenworth Tractor	1XKDD40X2KJ952901	Heavy Commercial Tractor	639415 kms	Sept 30 2024	\$180,000.00	\$20,663.47	\$78,542.31	Leased	CWB Leasing	\$33,229.38
202	2019	Kenworth Tractor	1XKDD40X4KJ952902	Heavy Commercial Tractor	665117 kms	May 31 2025	\$180,000.00	\$20,663.47	\$85,230.00	Leased	CWB Leasing	\$33,229.38
203	2019	Kenworth Tractor	1XKDD40X6KJ952903	Heavy Commercial Tractor	705315 kms	Sept 30 2024	\$180,000.00	\$20,692.05	\$74,835.00	Owned		\$ 38,000.00
205	2021	Kenworth Tractor	3WKDD40X8MF971654	Heavy Commercial Tractor	563292 kms	Apr 30 2025	\$210,000.00	\$22,187.43	\$106,426.00	Leased	BMO Leasing	\$61,601.52
206	2021	Kenworth Tractor	3WKDD40XXMF971655	Heavy Commercial Tractor	493539 kms	Apr 30 2025	\$210,000.00	\$22,187.43	\$119,009.00	Leased	BMO Leasing	\$61,601.52
207	2021	Kenworth Tractor	3WKDD40XXMF973471	Heavy Commercial Tractor	385522 kms	Aug 31 2024	\$210,000.00	\$22,332.57	\$108,038.00	Leased	Mitsubishi HC Capital	\$75,152.31
208	2021	Kenworth Tractor	3WKDD40XXMF973472	Heavy Commercial Tractor	480200 kms	Sept 30 2024	\$210,000.00	\$22,332.57	\$108,068.00	Leased	Mitsubishi HC Capital	\$75,152.31
209	2023	Kenworth Tractor	1XKDD40X1PR999605	Heavy Commercial Tractor	318268 kms	June 30 2025	\$240,000.00	\$24,457.14	\$166,091.00	Leased	Meridian Onecap	\$138,291.66
210	2023	Kenworth Tractor	1XKDD40X3PR999606	Heavy Commercial Tractor	221745 kms	Mar 31 2025	\$240,000.00	\$24,457.14	\$166,091.00	Leased	Meridian Onecap	\$138,291.66
211	2024	Kenworth Tractor	1XKDD40X5PR953971	Heavy Commercial Tractor	237398 kms	Oct 31 2024	\$240,000.00	\$28,394.29	\$202,319.00	Leased	TD Equip Finance	\$182,642.24
212	2024	Kenworth Tractor	1XKDD40X5PR953972	Heavy Commercial Tractor	193963 kms	Nov 30 2024	\$240,000.00	\$28,394.29	\$202,319.00	Leased	TD Equip Finance	\$182,642.24

**Trailers**

D301	2017	Cross Country 53' Trailer	2C9TSY351HB183545	Trailer			\$50,000.00	\$5,038.86	\$13,336.00	Owned		\$ 25,000.00
D302	2017	Cross Tri-Axle Trailer	2C9TSY353HB183548	Trailer			\$50,000.00	\$5,038.86	\$12,766.00	Owned		\$ 25,000.00
E404	2008	Manac 134 Trailer	2M51414678119076	Trailer			\$80,000.00	\$0.00	\$5,200.00	Owned		\$ 30,000.00
E405	2009	Manac 134 Trailer	2M514146291119987	Trailer			\$80,000.00	\$0.00	\$6,200.00	Owned		\$ 30,000.00
E406	2009	Manac 134 Trailer	2M514146691119880	Trailer			\$80,000.00	\$4,133.33	\$6,239.00	Owned		\$ 30,000.00
E407	2012	Manac 134 Trailer	2M514146XC1128217	Trailer			\$90,000.00	\$3,359.18	\$12,351.00	Owned		\$ 38,000.00
E408	2012	Manac 134 Trailer	2M5141461C1128218	Trailer			\$90,000.00	\$7,564.56	\$28,252.00	Owned		\$ 38,000.00
E409	2014	Manac 134 Trailer	2M5141611E1140079	Trailer			\$110,000.00	\$5,700.41	\$36,525.00	Owned		\$ 40,000.00
E410	2014	Manac 134 Trailer	2M5241618E1140080	Trailer			\$110,000.00	\$5,700.41	\$37,779.00	Owned		\$ 40,000.00
E411	2021	emisko 53' 4 Axle Extendable Flatbed Trailer	2TMFES340MN852701	Trailer - Flatbed			\$130,000.00	\$7,120.00	\$61,145.00	Leased	Concentra Financial	\$ 50,000.00
E412	2021	emisko 53' 4 Axle Extendable Flatbed Trailer	2TMFES342MN852702	Trailer - Flatbed			\$130,000.00	\$7,120.00	\$61,145.00	Leased	Concentra Financial	\$ 50,000.00
E414	2021	emisko 53' 4 Axle Extendable Flatbed Trailer	2TMFES344MN852703	Trailer - Flatbed			\$130,000.00	\$7,120.00	\$61,145.00	Leased	Concentra Financial	\$ 50,000.00
E416	2022	Manac 124 Trailer	2M5141619N210122	Trailer			\$130,000.00	\$7,800.00	\$78,203.00	Leased	RBC Leasing	\$ 50,000.00
E417	2013	Manac 124 Trailer	2M5131618D1131381	Trailer			\$25,000.00	\$2,880.00	\$12,975.00	Owned		\$ 40,000.00
F220	2000	Chap TT	1A92F4827YM277306	Trailer			\$8,000.00	\$648.00	\$2,274.00	Owned		\$ 12,000.00
F224	1994	Manac 102	2M51214XR1031016	Trailer			\$6,000.00	\$0.00	\$2,200.00	Owned		\$ 5,000.00
F245	1978	Manac PF	78A87249	Trailer			\$6,000.00	\$0.00	\$1,000.00	Owned		\$ 1,000.00
F306	2021	Doris F85	7KYFB5332MED30458	Trailer			\$70,000.00	\$3,808.00	\$31,763.00	Leased	BMO Leasing	\$ 35,000.00
F307	2021	Doris F85	7KYFB5334MED30459	Trailer			\$70,000.00	\$3,808.00	\$31,763.00	Leased	BMO Leasing	\$ 35,000.00
F308	2021	Doris F85	7KYFB5330MED30460	Trailer			\$70,000.00	\$3,808.00	\$31,763.00	Leased	BMO Leasing	\$ 35,000.00
F309	2021	Doris F85	7KYFB5332MED30461	Trailer			\$70,000.00	\$3,808.00	\$31,763.00	Leased	BMO Leasing	\$ 35,000.00
F310	2021	Doris F85	7KYFB5334MED30462	Trailer			\$70,000.00	\$3,808.00	\$31,763.00	Leased	BMO Leasing	\$ 35,000.00
F311	2021	Doris F85	7KYFB5336MED30463	Trailer			\$70,000.00	\$3,808.00	\$31,763.00	Leased	BMO Leasing	\$ 35,000.00
F312	2021	Doris F85	7KYFB5338MED30464	Trailer			\$70,000.00	\$3,808.00	\$31,763.00	Leased	BMO Leasing	\$ 35,000.00

UNIT #	YEAR	MAKE/MODEL	SERIAL NUMBER	TYPE OF UNIT	Milaage	Safety Due	Current Value of Equipment	Annual Amortization	NBV@July 31 2024	Owned / Leased	Lesee	Lease Amount @July 31 2024		
F314	2021	Doris F85	7KYFB533XMED30465	Trailer			\$70,000.00	\$3,808.00	\$31,763.00	Leased	BMO Leasing	\$15,103.89	\$	35,000.00
F315	2021	Doris F85	7KYFB5331MED30466	Trailer			\$70,000.00	\$3,808.00	\$31,763.00	Leased	Mitsubishi HC Capital	\$15,517.90	\$	35,000.00
F316	2021	Doris F85	7KYFB5333MED30467	Trailer			\$70,000.00	\$3,808.00	\$31,763.00	Leased	Mitsubishi HC Capital	\$15,517.90	\$	35,000.00
F317	2021	Doris F85	7KYFB5335MED30468	Trailer			\$70,000.00	\$3,808.00	\$31,763.00	Leased	Mitsubishi HC Capital	\$15,517.90	\$	35,000.00
F318	2021	Doris F85	7KYFB5337MED30469	Trailer			\$70,000.00	\$3,808.00	\$31,763.00	Leased	Mitsubishi HC Capital	\$15,517.90	\$	35,000.00
F406	2005	Thru P48	2T9FA484451011286	Trailer			\$10,000.00	\$0.00	\$1,550.00	Owned			\$	3,000.00
F408	2006	Thru P48	2T9FA484X61011620	Trailer			\$10,000.00	\$0.00	\$1,550.00	Owned			\$	3,000.00
F409	2005	Thru P48	2T9FA484351011229	Trailer			\$10,000.00	\$0.00	\$1,550.00	Owned			\$	3,000.00
F410	2006	Thru P48	2T9FA484361011619	Trailer			\$10,000.00	\$0.00	\$1,550.00	Owned			\$	3,000.00
F412	2006	Thru P48	2T9FA484161011540	Trailer			\$10,000.00	\$0.00	\$1,550.00	Owned			\$	3,000.00
F414	2006	Thru P48	2T9FA484161011621	Trailer			\$10,000.00	\$0.00	\$1,550.00	Owned			\$	3,000.00
F418	2005	Thru P45	2T9FA454151011198	Trailer			\$8,000.00	\$0.00	\$2,433.00	Owned			\$	3,000.00
F441	2003	Dura	2D9A1P3D231007004	Trailer			\$8,000.00	\$2,667.00	\$17,603.00	Owned			\$	3,000.00
F458	2009	STR PF	1S14FF4889B523989	Trailer			\$60,000.00	\$0.00	\$7,000.00	Owned			\$	5,000.00
F459	2006	Mana 104	2M514146361107228	Trailer			\$60,000.00	\$1,248.00	\$15,005.00	Owned			\$	4,000.00
F460	2009	Mana	2M514146591119982	Trailer			\$75,000.00	\$12,400.00	\$49,444.00	Owned			\$	5,000.00
F461	2009	Mana	2M514146591119983	Trailer			\$75,000.00	\$12,400.00	\$20,392.00	Owned			\$	5,000.00
F462	2009	Mana	2M514146791119984	Trailer			\$75,000.00	\$3,313.20	\$40,003.00	Owned			\$	5,000.00
F463	2013	Mana 104	2M51414690D130798	Trailer			\$75,000.00	\$0.00	\$9,450.00	Owned			\$	15,000.00
F464	2013	Mana 104	2MF141460D1130799	Trailer			\$75,000.00	\$0.00	\$9,450.00	Owned			\$	15,000.00
F465	2013	Mana 104	2M51414630D130800	Trailer			\$75,000.00	\$0.00	\$9,450.00	Owned			\$	15,000.00
F466	2013	Mana 104	2M5141465D1130801	Trailer			\$75,000.00	\$3,780.00	\$13,100.00	Owned			\$	15,000.00
F467	2013	Mana 104	2M5141467D1130802	Trailer			\$75,000.00	\$3,780.00	\$10,420.00	Owned			\$	15,000.00
F468	2013	Mana 104	2M514169D1130803	Trailer			\$75,000.00	\$3,780.00	\$16,956.00	Owned			\$	15,000.00
F469	2013	Mana 104	2M514160D1130804	Trailer			\$75,000.00	\$0.00	\$9,450.00	Owned			\$	15,000.00
F470	2013	Mana 104	2M5141462D1130805	Trailer			\$75,000.00	\$0.00	\$9,450.00	Owned			\$	15,000.00
F471	2013	Mana 104	2M5141464D1130806	Trailer			\$75,000.00	\$0.00	\$9,450.00	Owned			\$	15,000.00
F472	2013	Mana 104	2M5141466D1130807	Trailer			\$75,000.00	\$0.00	\$9,450.00	Owned			\$	15,000.00
F473	2014	Mana 104	5MC145315E3141131	Trailer			\$80,000.00	\$4,604.00	\$33,012.00	Owned			\$	15,000.00
F474	2014	Mana 104	5MC145317E3141132	Trailer			\$80,000.00	\$0.00	\$13,031.00	Owned			\$	15,000.00
F475	2014	Mana 104	5MC145319E3141133	Trailer			\$80,000.00	\$5,212.41	\$24,510.00	Owned			\$	15,000.00
F476	2014	Mana 104	5MC145310E3141134	Trailer			\$80,000.00	\$0.00	\$13,031.00	Owned			\$	15,000.00
F477	2014	Mana 104	5MC145312E3141135	Trailer			\$80,000.00	\$0.00	\$13,031.00	Owned			\$	15,000.00
F478	2014	Mana 104	5MC145314E3141136	Trailer			\$80,000.00	\$0.00	\$13,031.00	Owned			\$	15,000.00
F479	2014	Mana 104	5MC145316E3141137	Trailer			\$80,000.00	\$5,212.41	\$19,725.00	Owned			\$	15,000.00
F480	2014	Mana 104	5MC135318E3141138	Trailer			\$80,000.00	\$0.00	\$13,031.00	Owned			\$	15,000.00
F481	2016	Alut FLA	2T9FL5AM6GA133923	Trailer			\$85,000.00	\$6,200.00	\$28,938.00	Owned			\$	35,000.00
F482	2016	ALU FLA	2T9FL5AM8GA133923	Trailer			\$85,000.00	\$6,200.00	\$37,567.00	Owned			\$	35,000.00
F483	2016	ALU FLA	2T9FL5AMXGA133924	Trailer			\$85,000.00	\$6,200.00	\$36,323.00	Owned			\$	35,000.00
F484	2016	ALU FLA	2T9FP5AM1GA133925	Trailer			\$85,000.00	\$6,200.00	\$25,097.00	Owned			\$	35,000.00
F485	2016	ALU FLA	2T9FL5AM3GA133926	Trailer			\$85,000.00	\$6,200.00	\$25,097.00	Owned			\$	35,000.00
F486	2018	TEMI FC	2TMFC5346JN818201	Trailer			\$80,000.00	\$4,889.27	\$38,090.00	Leased	TD Equip Finance	\$1,915.80	\$	38,000.00
F487	2018	TEMI FC	2TMFC5348JN818202	Trailer			\$80,000.00	\$4,889.27	\$38,090.00	Leased	TD Equip Finance	\$1,915.80	\$	38,000.00
F488	2018	TEMI FC	2TMFC534XJN818203	Trailer			\$80,000.00	\$4,889.27	\$38,090.00	Leased	TD Equip Finance	\$1,915.80	\$	38,000.00
F489	2018	TEMI FC	2TMFC5341JN818204	Trailer			\$80,000.00	\$4,889.27	\$38,090.00	Leased	TD Equip Finance	\$1,915.80	\$	38,000.00
F490	2018	TEMI FC	2TMFC5343JN818205	Trailer			\$80,000.00	\$4,889.27	\$38,090.00	Leased	TD Equip Finance	\$1,915.80	\$	38,000.00
F491	2018	TEMI FC	2TMFC5345JN818206	Trailer			\$80,000.00	\$4,889.27	\$38,090.00	Leased	TD Equip Finance	\$1,915.80	\$	38,000.00
F492	2020	TEMI FC	2TMFC5345LN827801	Trailer			\$90,000.00	\$5,200.00	\$40,852.00	Leased	CWB Leasing	\$16,825.14	\$	40,000.00
F493	2020	TEMI FC	2TMFC5347LN827802	Trailer			\$90,000.00	\$5,200.00	\$40,852.00	Leased	CWB Leasing	\$16,825.14	\$	40,000.00
F494	2020	TEMI FC	2TMFC5349LN827803	Trailer			\$90,000.00	\$5,200.00	\$48,193.00	Leased	CWB Leasing	\$16,825.14	\$	40,000.00
F495	2020	TEMI FC	2TMFC5340LN827804	Trailer			\$90,000.00	\$5,200.00	\$40,852.00	Leased	CWB Leasing	\$16,825.14	\$	40,000.00
F496	2020	TEMI FC	2TMFC5342LN827805	Trailer			\$90,000.00	\$5,200.00	\$40,852.00	Leased	CWB Leasing	\$16,825.14	\$	40,000.00
F497	2020	TEMI FC	2TMFC5344LN827806	Trailer			\$90,000.00	\$5,200.00	\$40,852.00	Leased	CWB Leasing	\$16,825.14	\$	40,000.00
F498	2021	TEMI FC	2TMFC347MN850501	Trailer			\$100,000.00	\$5,400.00	\$46,373.00	Leased	Concentra Financial	\$24,585.93	\$	42,000.00

UNIT #	YEAR	MAKE/MODEL	SERIAL NUMBER	TYPE OF UNIT	Milaage	Safety Due	Current Value of Equipment	Annual Amortization	NBV@July 31 2024	Owned / Leased	Lesee	Lease Amount @July 31 2024		
F499	2021	TEMI FC	2TMFC5349MN850502	Trailer			\$100,000.00	\$5,400.00	\$46,373.00	Leased	Concentra Financial	\$24,585.93	\$	42,000.00
F4100	2021	TEMI FC	2TMFC5340MN850503	Trailer			\$100,000.00	\$5,400.00	\$46,373.00	Leased	Concentra Financial	\$24,585.93	\$	42,000.00
F4101	2021	TEMI FC	2TMFC5342MN850504	Trailer			\$100,000.00	\$5,400.00	\$46,373.00	Leased	Concentra Financial	\$24,585.93	\$	42,000.00
F4102	2021	TEMI FC	2TMFC5344MN850505	Trailer			\$100,000.00	\$5,400.00	\$46,373.00	Leased	Concentra Financial	\$24,585.93	\$	42,000.00
F4103	2021	TEMI FC	2TMFC5346MN850506	Trailer			\$100,000.00	\$5,400.00	\$46,373.00	Leased	Concentra Financial	\$24,585.93	\$	42,000.00
F4104	2014	MANAC 104	5MC145314E3140309	Trailer			\$80,000.00	\$3,200.00	\$15,980.00	Owned			\$	20,000.00
F4106	2023	TEMI FC	2TMFC5345PN894601	Trailer			\$110,000.00	\$6,800.00	\$71,828.00	Leased	RBC Leasing	\$60,176.56	\$	70,000.00
F4107	2023	TEMI FC	2TMFC5347PN894602	Trailer			\$110,000.00	\$6,800.00	\$71,828.00	Leased	RBC Leasing	\$60,176.56	\$	70,000.00
F4108	2023	TEMI FC	2TMFC5349PN894603	Trailer			\$110,000.00	\$6,800.00	\$71,828.00	Leased	RBC Leasing	\$60,176.56	\$	70,000.00
F4109	2023	TEMI FC	2TMFC5340PN894604	Trailer			\$110,000.00	\$6,800.00	\$71,828.00	Leased	RBC Leasing	\$60,176.56	\$	70,000.00
F4110	2023	TEMI FC	2TMFC5342PN894605	Trailer			\$110,000.00	\$6,800.00	\$71,828.00	Leased	RBC Leasing	\$60,176.56	\$	70,000.00
F4111	2023	TEMI FC	2TMFC5344PN894606	Trailer			\$110,000.00	\$6,800.00	\$71,828.00	Leased	RBC Leasing	\$60,176.56	\$	70,000.00
F4112	2023	TEMI FC	2TMFC5346PN894607	Trailer			\$110,000.00	\$6,800.00	\$72,220.00	Leased	RBC Leasing	\$61,872.13	\$	70,000.00
F4114	2023	TEMI FC	2TMFC5348PN894608	Trailer			\$110,000.00	\$6,800.00	\$72,220.00	Leased	RBC Leasing	\$61,872.13	\$	70,000.00
F4115	2023	TEMI FC	2TMFC534XPN894609	Trailer			\$110,000.00	\$6,800.00	\$72,220.00	Leased	RBC Leasing	\$61,872.13	\$	70,000.00
F502	2005	THRU P48	2T9FA485751011145	Trailer			\$15,000.00	\$0.00	\$1,600.00	Owned			\$	3,000.00
F503	1997	THRU P48	2T9FA4854V1011569	Trailer			\$10,000.00	\$0.00	\$2,300.00	Owned			\$	2,500.00
F510	2005	THRU P48	2T9FA485751011100	Trailer			\$150,000.00	\$0.00	\$3,434.00	Owned			\$	3,000.00
F511	2005	THRU P48	2T9FA485951011101	Trailer			\$150,000.00	\$3,433.00	\$9,154.00	Owned			\$	3,000.00
F512	2005	THRU P48	2T9FA485751011114	Trailer			\$15,000.00	\$0.00	\$3,433.00	Owned			\$	3,000.00
F515	2006	THRU P48	2T9FA485161011501	Trailer			\$18,000.00	\$0.00	\$9,528.00	Owned			\$	3,000.00
F516	2006	THRU P48	2T9FA485361011502	Trailer			\$18,000.00	\$3,811.00	\$12,800.00	Owned			\$	3,000.00
F517	2006	MANA 105	2T9FA485561011503	Trailer			\$18,000.00	\$0.00	\$9,528.00	Owned			\$	3,000.00
F520	2000	TITAN TRA	2M5151469Y1066961	Trailer			\$8,000.00	\$0.00	\$700.00	Owned			\$	3,000.00
F521	2006	THRU P48	2K9F1L58YH035264	Trailer			\$15,000.00	\$0.00	\$1,435.00	Owned			\$	3,000.00
F522	1998	THRU P48	2T9FA485861011754	Trailer			\$8,000.00	\$1,716.00	\$4,616.00	Owned			\$	3,000.00
F549	2005	THRU P48	2T9FA4858W1011723	Trailer			\$8,000.00	\$0.00	\$3,400.00	Owned			\$	3,000.00
F550	2006	MANA 105	2T9FA485251011151	Trailer			\$15,000.00	\$0.00	\$9,152.00	Owned			\$	3,000.00
F564	2017	CRSS	2C9FSY514HB183332	Trailer			\$90,000.00	\$5,400.00	\$29,729.00	Leased	Concentra Financial	\$6,888.61	\$	35,000.00
F565	2017	CRSS	2C9FSY516HB183333	Trailer			\$90,000.00	\$5,400.00	\$33,157.00	Leased	Concentra Financial	\$6,888.61	\$	35,000.00
F566	2017	CRSS	2C9FSY518HB183334	Trailer			\$90,000.00	\$5,400.00	\$22,717.00	Leased	Concentra Financial	\$6,888.61	\$	35,000.00
F567	2017	CRSS	2C9FSY51XHB183335	Trailer			\$90,000.00	\$5,400.00	\$32,447.00	Leased	Concentra Financial	\$6,888.61	\$	35,000.00
F568	2001	CRSS	2C9FSY511HB183336	Trailer			\$90,000.00	\$5,400.00	\$49,844.00	Leased	Concentra Financial	\$6,888.61	\$	35,000.00
F570	2001	MANA 105	2T9FA485911011108	Trailer			\$8,000.00	\$2,400.00	\$11,568.00	Owned			\$	3,000.00
F571	2005	THRU P48	2M515146611070326	Trailer			\$15,000.00	\$0.00	\$1,815.00	Owned			\$	3,000.00
F572	2005	THRU P48	2T9FA485451011104	Trailer			\$15,000.00	\$2,420.00	\$11,065.00	Owned			\$	3,000.00
F573	2003	THRU P48	2T9FA485351011112	Trailer			\$8,000.00	\$2,420.00	\$11,275.00	Owned			\$	3,000.00
F578	2001	MANA 105	2T9FA485531011321	Trailer			\$8,000.00	\$0.00	\$670.00	Owned			\$	3,000.00
F583	2004	THRU P48	2T9FA485641011572	Trailer			\$8,000.00	\$0.00	\$1,815.00	Owned			\$	3,000.00
F584	2004	THRU P48	2T9FA485841011573	Trailer			\$8,000.00	\$1,240.00	\$3,660.00	Owned			\$	3,000.00
F585	1999	THRU P48	2T9FA485141011575	Trailer			\$8,000.00	\$2,420.00	\$8,458.00	Owned			\$	3,000.00
F594	2000	THRU P48	2T9FA4857X1011214	Trailer			\$8,000.00	\$648.00	\$2,274.00	Owned			\$	3,000.00
F596	2000	THRU P48	2T9FA4858Y1011871	Trailer			\$8,000.00	\$648.00	\$2,274.00	Owned			\$	3,000.00
F597	2006	THRU P48	2T9FA485761011616	Trailer			\$20,000.00	\$2,560.00	\$14,087.00	Owned			\$	3,000.00
F598	2006	THRU P48	2T9FA485661011624	Trailer			\$20,000.00	\$2,560.00	\$11,667.00	Owned			\$	3,000.00
F599	2006	THRU P49	2T9FA485661011753	Trailer			\$20,000.00	\$2,560.00	\$12,947.00	Owned			\$	3,000.00
FL201	2005	FONT WDM	4LF34820853527826	Trailer			\$30,000.00	\$3,440.00	\$12,363.00	Owned			\$	5,000.00
FL202	2020	XL	4U3J05325L1019165	Trailer			\$80,000.00	\$4,909.60	\$55,183.00	Leased	LBC Capital	\$45,502.56		
T101	2019	XL Single Axle Flip	4U3S00518KLO17372	Trailer			\$25,000.00	\$1,550.40	\$17,426.00	Leased	LBC Capital	\$14,369.05		
MF 101	2024	Moffet	WD460688B	Moffet			\$90,000.00	\$15,292.37	\$83,725.00	Leased	Mitsubishi HC Capital	\$83,272.88		
MF102	2024	Moffet	WD460708B	Moffet			\$90,000.00	\$15,292.37	\$83,725.00	Leased	Mitsubishi HC Capital	\$83,272.88		

UNIT #	YEAR	MAKE/MODEL	SERIAL NUMBER	TYPE OF UNIT	Milaege	Safety Due	Current Value of Equipment	Annual Amortization	NBV@July 31 2024	Owned / Leased	Lesee	Lease Amount @July 31 2024
424	2020	Ford F150 XLT	1FTFW1E51LKE50963	Light Commercial Vehicle			\$80,000.00	\$4,718.22	\$13,290.00	Leased	Ford	\$18,523.61
423	2021	Ford Cargo Van	1FTBR3XG0MKA79439	Light Commercial Vehicle			\$80,000.00	\$9,038.93	\$25,460.00	Leased	CWB Leasing	\$30,782.69
421	2016	GMC Savana Cargo Van	1GTW7BFF9G1176997	Light Commercial Vehicle			\$20,000.00	\$1,221.74	\$3,442.00	Owned		
422	2016	Ford F150	1FTFW1EG4GF886590	Light Commercial Vehicle			\$18,000.00	\$2,450.00	\$6,901.00	Owned		
420	2020	Ford F150	1FTFW1E51LKD62432				\$50,000.00	\$1,426.97	\$4,020.00	Owned		

\$ 1,198,500.00 \$ 2,237,000.00

This is **Exhibit "C"** referred to in the Affidavit of **Susan Moore**  
affirmed this 20<sup>th</sup> day of November 2024



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Shimon Sherrington

Commissioner for Taking Affidavits  
(or as may be)

**From:** [Jason Wadden](#)  
**To:** [Jeremy Nemers](#); [Shimon Sherrington](#); [Sanjeev Mitra](#); [Shaun Parsons](#)  
**Cc:** [Mukul Manchanda \(mmanchanda@spergel.ca\)](mailto:mmanchanda@spergel.ca)  
**Subject:** Re: [EXT]: Re: Moore Brothers - Spergel Report  
**Date:** November 20, 2024 9:44:29 AM

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Jeremy,

Further to your email below, please note that we just spoke to Spergel and advised them that transferred assets should be being treated as being owned by Moore Bros and that RBC's security extends to those assets and that we should be proceeding on that basis. This is not being disputed by our clients. We are looking into how best to formally and quickly formalize that point. We will be back to you on that. However, for all intents and purposes, and for the avoidance of any doubt as we move forward, those assets are being treated as part of RBC's security package.

We will send you a document explaining the situation in full detail, but we wanted to let you know you right away our client's position on this matter and our discussion with Spergel.

Best regards,  
Jason



**Jason Wadden**

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E. [jwadden@tyrllp.com](mailto:jwadden@tyrllp.com)

488 Wellington Street West, Suite 300-302  
Toronto, ON M5V 1E3

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**From:** Jeremy Nemers <jnemers@airdberlis.com>  
**Sent:** Tuesday, November 19, 2024 12:38 PM  
**To:** Shimon Sherrington <ssherrington@tyrllp.com>; Sanjeev Mitra <smitra@airdberlis.com>; Shaun Parsons <sparsons@airdberlis.com>  
**Cc:** Jason Wadden <jwadden@tyrllp.com>; Mukul Manchanda (mmanchanda@spergel.ca) <mmanchanda@spergel.ca>  
**Subject:** [EXT]: Re: Moore Brothers - Spergel Report

**CAUTION:** This e-mail originated from outside of the firm. Do not click links or open attachments unless you recognize the sender and know that the content is safe.

Thanks Shimon, but Spergel called me this morning (after speaking with you), and advised you communicated to it that you had no substantive comments on the draft report, but wanted more time to provide clarification regarding the transfer of assets.

To the extent your client has a meritorious reason for transferring RBC's collateral without RBC's knowledge or consent (after demand was made), and then keeping such information

hidden from RBC for almost three months, it is unclear why such an explanation has not already been communicated and why more time is required. We further note that Spergel's draft report was provided to both our respective clients yesterday morning for review and comment.

In any event, we will be asking Spergel to finalize its report today, based on the information it presently has from your client, as it remains RBC's intention to respect the Court's timetable in respect of this matter. In this regard, you will recall that we are already compressed for time because your client's responding materials were not delivered per the terms of the original October endorsement.

Should something truly meritorious come to light going forward, it can always be dealt with.

Thanks,

**Jeremy Nemers** (he/him)

Partner

T 416.865.7724

E [jnemers@airdberlis.com](mailto:jnemers@airdberlis.com)

**Aird & Berlis LLP**

This email is intended only for the individual or entity named in the message. Please let us know if you have received this email in error. If you did receive this email in error, the information in this email may be confidential and must not be disclosed to anyone.

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**From:** Shimon Sherrington <[ssherrington@tyrllp.com](mailto:ssherrington@tyrllp.com)>

**Sent:** Tuesday, November 19, 2024 11:43 AM

**To:** Sanjeev Mitra <[smitra@airdberlis.com](mailto:smitra@airdberlis.com)>; Jeremy Nemers <[jnemers@airdberlis.com](mailto:jnemers@airdberlis.com)>;  
Shaun Parsons <[sparsons@airdberlis.com](mailto:sparsons@airdberlis.com)>

**Cc:** Jason Wadden <[jwadden@tyrllp.com](mailto:jwadden@tyrllp.com)>

**Subject:** Moore Brothers - Spergel Report

Aird & Berlis team:

We received a draft of the Spergel report yesterday and are reviewing a factual issue with our client. We have spoken with Spergel this morning and indicated that we expect we will be back to them by end of day or tomorrow morning first thing with our factual comments. We understand that your reply materials are due today - we have no issue with you taking extra time, even until Friday to deliver those materials so you have time with the report.

Shimon



**Shimon Sherrington**

T. +1 587 777 0367

E. [ssherrington@tyrllp.com](mailto:ssherrington@tyrllp.com)

488 Wellington Street West, Suite 300-302





ROYAL BANK OF CANADA -and- MOORE BROTHERS TRANSPORT LTD.

Applicant

Respondent

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

Proceeding commenced at TORONTO

**AFFIDAVIT OF SUSAN MOORE  
(Affirmed November 20, 2024)**

**Tyr LLP**

488 Wellington Street West, Suite 300-302  
Toronto, ON M5V 1E3  
Fax: 416.987.2370

**Jason Wadden (LSO#: 46757M)**

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Lawyers for the Respondent,  
Moore Brothers Transport Ltd.