

**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

**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**

REPLY APPLICATION RECORD

November 19, 2024

AIRD & BERLIS LLP
Barristers & Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, Ontario M5J 2T9

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Lawyers for Royal Bank of Canada

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1990, c. C.43, AS AMENDED**

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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 INC.

Respondent

**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**

**REPLY AFFIDAVIT OF RAM MURALITHARAN
(sworn November 19, 2024)**

I, **RAM MURALITHARAN**, of the City of Oshawa, in the Province of Ontario, **MAKE
OATH AND SAY AS FOLLOWS:**

1. I am a Senior Manager in the Special Loans & Advisory Services Department of Royal Bank of Canada (“**RBC**”), and, as such, have personal knowledge of the matters to which I hereinafter depose. Where I do not have such personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true.

2. This affidavit (this “**Affidavit**”) is sworn in support of the pending receivership application returnable December 9, 2024 against Moore Brothers Transport Inc. (the “**Debtor**”), and is sworn further to my affidavit sworn October 9, 2024 (the “**Original Affidavit**”) and in reply to the affidavit of Susan Moore (“**Ms. Moore**”) affirmed November 12, 2024 (the “**Responding Affidavit**”).

3. To the extent this Affidavit does not reply to certain statements in the Responding Affidavit, such silence should not be interpreted as my agreement with Ms. Moore on these points.

4. At paragraph 18 of the Responding Affidavit, Ms. Moore references and attaches a letter sent by her counsel on October 23, 2024. Attached as **Exhibit “1”** to this Affidavit is a copy of the entire communication sent by her counsel on October 23, 2024.

5. At paragraphs 3, 13, 16, 17, 18, 27 and 28 of the Responding Affidavit, Ms. Moore makes several references to what she describes as “*the significant priority payable amounts owing to the Canada Revenue Agency.*” Attached as **Exhibit “2”** to this Affidavit is a copy of the Debtor’s borrowing base certificate dated October 24, 2024, which references employee source deductions of \$1.052 million and unremitted HST of \$320,000.

6. At paragraphs 3, 19 and 20 of the Responding Affidavit, Ms. Moore references the Debtor having agreed to the appointment of msi Spergel inc. (“**Spergel**”) on a private interim basis as, respectively, “*a monitor to provide RBC with a direct and clear line of sight into the [Debtor]’s operations and affairs,*” “*the eyes and ears of RBC over the [Debtor]*” and “*Interim Private Monitor demonstrate[ing] the [Debtor]’s sincerity and commitment to provide fulsome information to RBC to give the bank comfort.*” Attached as **Exhibit “3”** to this Affidavit is a copy of the report by Spergel, in its capacity as RBC’s consultant (in such capacity, the “**Consultant**”), dated November 19, 2024 (the “**Consultant’s Report**”).

7. The Consultant’s Report references the Debtor having transferred assets to “*CBM Rentals,*” being a company owned and operated by Ms. Moore’s son, in or around August 2024. Attached as **Exhibit “4”** to this Affidavit is a copy of the corporate profile report of CBM Rentals Inc. (“**CBM**”), confirming that CBM’s sole registered director and officer is Connor Barry Moore.

8. RBC was not previously aware of, and did not consent to, the transfer of any of its collateral to CBM, which transfer was first brought to RBC’s attention by the Consultant on November 14, 2024. RBC has therefore amended its existing registration against the Debtor under the *Personal Property Security Act* (Ontario) (the “PPSA”) to add CBM as an additional debtor. Attached as **Exhibit “5”** to this Affidavit is a copy of the certified PPSA search results against CBM.

9. At paragraph 30 of the Responding Affidavit, Ms. Moore references the Debtor’s intention to deliver a further affidavit. Attached collectively as **Exhibit “6”** to this Affidavit are copies of the Court’s endorsement dated October 24, 2024, an email from the Debtor’s counsel dated November 5, 2024, the Court’s endorsement also dated November 5, 2024 and a further email exchange amongst the Debtor’s counsel, RBC’s counsel and the Consultant dated November 19, 2024, all of which address scheduling of the steps to be taken in the within receivership application.

10. This Affidavit is made in support of the within receivership application, and for no other or improper purpose whatsoever. Given the Responding Affidavit’s content and the Consultant’s findings, RBC has also commenced a separate bankruptcy application against the Debtor, a copy of which is attached as **Exhibit “7”** to this Affidavit.

SWORN by Ram Muralitharan at)
the City of Oshawa, in the Province of)
Ontario, before me on this 19th day of)
November, 2024 in accordance with)
O. Reg. 431/20, Administering Oath)
or Declaration Remotely.)

DocuSigned by:)
Shawn Parsons)
3D90420171CB499...)

Commissioner for taking affidavits, etc.)

Signed by:
Ram Muralitharan
D1D761D5A6BE4A7

RAM MURALITHARAN

TAB 1

This is Exhibit "1" referred to in the Affidavit of Tco 'O wtckj ctc
sworn before me, this 3; yj day of Pqxgo dgt, 2024.



Commissioner for Taking Affidavits

From: Jason Wadden <jwadden@tyrllp.com>
Sent: October 23, 2024 11:42 PM
To: Jeremy Nemers <jnemers@airdberlis.com>
Cc: Sanjeev Mitra <smitra@airdberlis.com>; Shimon Sherrington <ssherrington@tyrllp.com>
Subject: Moore Brothers - Coorespondence

Jeremy,

Apologies I was still dealing with my crosses until after 6pm tonight. Please find attached a copy of a letter for your review.

With respect to the scheduling hearing tomorrow, we suggest that we ask for a hearing date in light with the date set out above, and if we do not reach an agreement to move forward on the basis proposed (or some agreed-to variation thereof), then you can reattend to get a soon date (we you can obtain that date on a scheduling appointment that you book regardless of our availability).

Please call me in the morning as soon as you are able to speak.

Best regards,
Jason



Jason Wadden

T. [+1 416 627 9815](tel:+14166279815)

E. jwadden@tyrllp.com

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

October 23, 2024

DELIVERED VIA EMAIL

Aird & Berlis LLP
Brookfield Place, 181 Bay Street,
Suite 1800
Toronto, Ontario M5J 2T9
Attention: Sanjeev Mitra, Jeremy Nemers, Shaun Parsons and Calvin Horsten
Emails: smitra@airdberlis.com; jnemers@airdberlis.com; sparsons@airdberlis.com;
chorsten@airdberlis.com

Dear Messrs. Mitra, Nemers, Parsons and Horsten:

Re: Royal Bank of Canada v Moore Brothers Transport Inc. - CV-24-00729106-00CL

We write with respect to the above noted proceeding and the scheduling appointment set for 9:30 AM on October 24, 2024.

The Progress Made Towards Finalizing a Viable Plan for the Repayment of RBC

We are pleased to report that Moore Brothers Transport Inc. (“**Moore Brothers**” or the “**Company**”) has achieved meaningful progress towards finalizing a viable plan for the repayment of the Royal Bank of Canada (“**RBC**” or the “**Bank**”). The Moore Brothers have entered into agreements with most of their employees for 20% across-the board wage reductions. The Company is also in serious discussions with suppliers which will also hopefully free-up cash flow to allow for the repayment of the Bank. Most importantly, Moore Brothers continues to pursue several avenues for third-party investment and financing sufficient to pay out RBC’s interest – these discussions remain ongoing.

However, the simple reality is that the fruits of these efforts need time to ripen.

Proposal

Our client, Moore Brothers therefore seeks a practical interim resolution to this matter which will give your client, RBC, meaningful insight and comfort while giving Moore Brothers the necessary time to finalize a plan for the full repayment of the Bank very soon.

Moore Brothers’ proposal is as follows:

1. On Monday, October 28, 2024, Spergel Inc. (“**Spergel**”), whom RBC seeks to appoint as receiver, would start to act as interim private monitor with respect to Moore Brothers. Spergel will be given full access to Moore Brothers’ financial information and records and become the eyes and ears of the Bank with respect to the Company. In this capacity, Spergel can also begin assessing the potential sale or break-up value of Moore Brothers. This means that the Bank does not need to wait for a potential receivership order to gain a full understanding of the Company’s financial picture or begin planning next steps (including steps it would take in an receivership). Spergel’s position as interim private monitor would be set out in a proposed protocol, based of the terms of the model receivership order, which is attached (in draft) as **Schedule “A”**.
2. The parties agree to schedule a receivership hearing on December 9, 2024. This date would be subject to rescheduling to an earlier date in the event that the Company does not remit a source deduction, as discussed below.

By December 9, 2024, the outcome of the steps Moore Brothers are taking towards the finalization of a viable plan for the repayment of the Bank will be clear and how that plan will address the elimination of the Super-Priority Amount that we understand will prime RBC (discussed below), and the Company will have either entered into a longer term solution with the Bank or the receivership hearing will proceed.

As part of the proposal contained in this letter, the Moore Brothers are committed to ensuring that RBC’s position does not further erode. The Company is committed to remitting all source deductions on-time on a going forward basis, and, subject to a short two business day cure period, if a source deduction is not remitted within this period (as can be confirmed by Spergel) then the Bank can go to Court seek an earlier date for a receivership hearing. This oversight aspect can give RBC confidence that if it appears that Moore Brothers’ financial position is materially changing in a way that negatively impacts the position of the Bank, a receivership hearing can occur in advance of December 9.

Likely Reality of Recovery and Why Proposal Is More Likely To Maximize Recovery for RBC

In our prior meetings and discussions with you, we have discussed super-priority arrears owing by Moore Brothers to the Canada Revenue Agency (“**CRA**”) with respect to unremitted source deductions (the “**Super-Priority Amount**”), which we understand would prime RBC in any recovery scenario at this stage. We can advise that, on a

preliminary basis based on an audit completed by the CRA today, the Super-Priority Amount is now approximately \$1.075 million. The Company believes, based on a third-party review of its financials, that the Super-Priority Amount is not at risk of materially increasing in the near term, something that Spergel can confirm in its review of Company financials. However, the large Super-Priority Amount obviously represents a significant hurdle to meaningful recovery for the Bank in the event of a sale or break-up recovery event of the Company.

Moore Brothers believes, and we expect that Spergel will agree, that most of the value of the Company is in the deep relationships forged between the principals of the Company, Ron and Sue Moore. To put it bluntly: without the continued active involvement of Ron and Sue, the value of Moore Brothers is expected to be limited such that RBC will see little recovery from a receivership sales process considering the Super-Priority Amount owing. Because of this, we believe it is in everyone's interests to see if the Company's steps towards finalizing a viable plan for repayment of the Bank over the next several weeks based on renegotiated agreements with suppliers through the finalization of its discussions with the investors and/or third-party investment or lending can come to fruition – that is ultimately the pathway for RBC getting paid out and the Company continuing in business.

Conclusion

The Company is hopeful that by allowing Spergel to have oversight at this stage, well ahead of any potential receivership hearing, RBC can get the details it requires to fully understand the Company's financial position, while also taking any necessary preliminary steps it wishes to take in the event that a receivership does occur. In the meantime, Moore Brothers will continue taking steps towards the finalization of a viable plan for RBC's repayment and will keep the Bank apprised of those efforts.

We look forward to discussing this proposal with you and reaching an agreement on definitive terms.

Yours very truly,



Jason Wadden

cc: Shimon Sherrington - Tyr LLP

SCHEDULE "A"

**DRAFT PROTOCOL WITH RESPECT TO THE APPOINTMENT OF AN INTERIM PRIVATE
MONITOR, SPERGEL INC.**

WHEREAS Moore Brothers Transport Inc. (the "**Debtor**") is indebted to Royal Bank of Canada;

AND WHEREAS Royal Bank of Canada ("**RBC**") has delivered application materials to the Debtor with respect to receivership application for the appointment of Spergel Inc. as receiver; and

AND WHEREAS the Debtor and RBC wish to agree to a protocol for the appointment Spergel Inc. as interim Private Monitor for good and valuable consideration, the sufficiency of which is hereby acknowledged.

APPOINTMENT

1. Spergel Inc. is hereby appointed interim private monitor (the "**Private Monitor**"), without security, of all of the assets, undertakings and properties of the Debtor acquired for or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**").

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE PRIVATE MONITOR

2. The (i) the Debtor, (ii) all of its current directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations or other entities that the Debtor has any control over (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall provide such information to the Private Monitor as the Private Monitor may reasonable request including, but not limited to, the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Private Monitor.

3. All Persons shall forthwith provide to the Private Monitor for inspection 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 Debtor, 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 Private Monitor or permit the Private Monitor to make, retain and take away copies thereof and grant to the Private Monitor unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph or in the subsequent paragraph of this Protocol shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Private Monitor due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

4. 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 Private Monitor for the purpose of allowing the Private Monitor 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 Private Monitor in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Private Monitor. Further, for the purposes of this paragraph, all Persons shall provide the Private Monitor with all such assistance in gaining immediate access to the information in the Records as the Private Monitor may in its discretion require including providing the Private Monitor with instructions on the use of any computer or other system and providing the Private Monitor with any and all access codes, account names and account numbers that may be required to gain access to the information.

PIPEDA WITH RESPECT TO THE EXPLORATION OF A POTENTIAL SALE

5. Pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Debtor shall disclose to the Private Monitor, and the Private Monitor's request, personal information of identifiable individuals and to its advisors, but only to the extent desirable or required to plan for the negotiation and attempt to complete one or more sales of the Property (each, a "**Sale**") through a receivership sale process. 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 for the purposes contemplated by this paragraph, and if there is no sales process or if a sale is not completed, shall return all such information to the Private Monitor, or in the alternative destroy all such information.

GENERAL

6. RBC shall be responsible for the payment of the Private Monitor, without prejudice to its rights to claim such costs as it might be entitled to under the application agreements with the Debtor.

7. Nothing in this Protocol shall prevent the Private Monitor from acting as a receiver or trustee in bankruptcy of the Debtor, nor modifies or amends the rights of the parties unless expressly contemplated hereby and all rights are reserved.

ACCEPTED AND AGREED:

MOORE BROTHERS TRANSPORT INC.

Per: _____
Name:
Title:

ROYAL BANK OF CANADA

Per: _____
Name:
Title:

SPERGEL INC.

Per: _____
Name:
Title:

TAB 2

This is Exhibit "2" referred to in the Affidavit of Tco 'O wcrkj ctep
sworn before me, this 3; yj day of P qxgo dgt, 2024.



Commissioner for Taking Affidavits

Schedule "F"

BORROWING LIMIT CERTIFICATE

I, Paul Guentner, representing the Borrower hereby certify as of ~~year~~ period ending Oct/24:

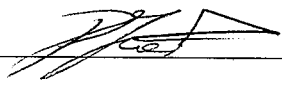
1. I am familiar with and have examined the provisions of the Agreement dated May 29, 2023 and any amendments thereto, between Moore Brothers Transport Ltd., as Borrower, and Royal Bank of Canada, as the Bank and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrower. Terms defined in the Agreement have the same meanings where used in this certificate.

2. The Borrowing Limit is \$ 205,000, calculated as follows:

Total accounts receivable owing by Persons located in Canada			\$ <u>2,109K</u>
Less:	a)	The portion of such accounts which exceeds 90 days	\$ <u>5K</u>
	b)	Accounts due from affiliates	\$ _____
	c)	Accounts where collection is suspect	\$ _____
	d)	Accounts subject to prior encumbrances	\$ _____
	e)	Holdbacks, contra-accounts or rights of set-off	\$ _____
	f)	Accounts included elsewhere in the Borrowing Limit calculation	\$ _____
	g)	Other ineligible accounts	\$ _____
Good Accounts Receivable			A \$ <u>2,103K</u>
Marginable Good Accounts Receivable at 75% of A			B \$ <u>1,577K</u>
Total Private Insured Accounts Receivable			\$ <u>—</u>
Less:	a)	The portion of such accounts which exceeds 90 days	\$ _____
	b)	Accounts due from affiliates	\$ _____
	c)	Accounts where collection is suspect	\$ _____
	d)	Accounts subject to prior encumbrances	\$ _____
	e)	Holdbacks, contra-accounts or rights of set-off	\$ _____
	f)	Other ineligible accounts	\$ _____
Good Private Insured Accounts Receivable			C \$ _____
Marginable Good Private Insured Accounts Receivable at 90% of C			D \$ <u>—</u>
Less:		Potential Prior-Ranking Claims while not limited to these include:	
Sales tax, Excise & GST			\$ <u>320K</u>
Employee source deductions such as E.I., CPP, Income Tax			\$ <u>1052K</u>
Workers Compensation Board			\$ _____
Wages, Commissions, Vacation Pay			\$ _____
Unpaid Pension Plan Contributions			\$ _____
Overdue Rent, Property & Business Tax and potential claims from third parties such as subcontractors			\$ _____
Other			\$ _____
Total Potential Prior-Ranking Claims			E \$ <u>1,372K</u>
Borrowing Limit (B+D-E)			\$ <u>205K</u>
Less:		Facility #1(a) and Facility# 1(b) Borrowings	\$ <u>2,247K</u>
Margin Surplus (Deficit)			\$ <u>(2,042)K</u>

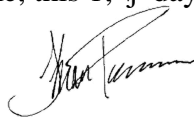
3. The reports (if required as per the Reporting Requirements section of the Agreement) and information provided herewith are accurate and complete in all respects and all amounts certified as Potential Prior-Ranking Claims are current amounts owing and not in arrears.

Dated this 24th day of October, 2024.

Per: 
Name: Paul Guentner
Title: Controller

TAB 3

This is Exhibit "3" referred to in the Affidavit of Tco 'O wcrkj ctep
sworn before me, this 1; yj day of November, 2024.



Commissioner for Taking Affidavits



SPERGEL

24

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

A117

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

GRIP
GLOBAL RESTRUCTURING
INSOLVENCY PRACTICE INC.
A385

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- 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 losses 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	
Revenue										
Sales	12,606,539		-		16,409,695		15,242,496		11,951,020	
	12,606,539				16,409,695		15,242,496		11,951,020	
COST OF SALES										
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%
Income From Operations	(4,401)	-0.03%	-		(143,040)	-0.87%	646,232	4.24%	618,201	5.17%
Other Income										
Miscellaneous Income	\$ 381,661		-		-		-		-	
Gain/Loss on disposal of assets	(1,166,745)		-		-		-		-	
Net Income (loss)	\$ (789,484)	-6.26%	\$ (2,202,484)		\$ (143,040)	-0.87%	\$ 646,232	4.24%	\$ 618,201	5.17%

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
Advertising and promotion	-	138,931	(138,931)
Amortization	685,469	1,179,145	(493,676)
Salaries & Owner operators			
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	
	6,785,028	8,648,829	(1,863,801)
Insurance	390,489	690,568	(300,079)
Occupancy costs	525,715	632,231	(106,516)
Professional fees	-	78,749	(78,749)
Vehicles			
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	
	2,693,947	3,788,144	(1,094,197)

- 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

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 ¹	\$ 332,800.00	\$ 33,280.00	\$ 399,360.00	Various visas over authorized limit
	\$ 3,308,836.90	\$ 74,638.15	\$ 895,657.78	

¹ 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:



Mukul Manchanda, CPA, CIRP, LIT
Managing Partner



SPERGEL

A400

Appendix A



October 28, 2024

msi Spergel inc.,
200 Yorkland Blvd., Suite 1100
North York, ON M2J 5C1

Attention: Mukul Manchanda, CPA, CIRP, LIT

Dear Sirs:

Re: MOORE BROTHERS TRANSPORT LTD. (the “Company”)

The purpose of this letter is to set out the terms upon which the Royal Bank of Canada (the “**Bank**”) will engage msi Spergel inc. (“**Spergel**”) to act on the Bank’s behalf as consultant (the “**Consultant**”) to review and report on the financial and operational performance of the Company and to evaluate the Bank’s security position, in accordance with the terms and provisions of this agreement including, but not limited to, the following:

1. Reviewing the current financial position and more recent financial results achieved by the Company;
2. Reviewing the Company’s go forward annual financial projections and prepare a monthly projection if necessary;
3. Reviewing the Company’s 13-week cash flow forecast;
4. Reviewing any agreements between the Company and the landlords of premises leased by the Company;
5. Reviewing and analysing the existence and validity of claims against the Company including liens, potential liens, environmental liabilities, practical priorities and the impact of those priority claims on Company’s assets and the Bank’s loan position;
6. Reviewing and analysing the existence and validity of accounts receivable including, but not limited to, a review of customer invoices, sales contracts, long-term supply agreements and any and all documentation to support the basis of reported accounts receivable;
7. Reviewing and investigating all other matters, which may affect in any manner whatsoever the security position of the Bank or the ability of the Bank to recover the indebtedness of the Company to the Bank, including all transactions or dealings with related entities;
8. Providing, based on your findings and in your sole discretion, such recommendations, only to the Bank, as you deem appropriate. For greater certainty, your analysis and recommendation of any issue considered by you in your sole discretion to be relevant to this engagement will not

necessarily be subject to the review by the Company.

You are to have no managerial capacity or decision-making responsibilities with respect to the business of the Company. We acknowledge that your review and advice will be based mainly on data supplied by the Company, supplemented by discussions with management. We understand that, although all information gathered will be reviewed for reasonableness, you will not be conducting an audit. Therefore, your work will not necessarily disclose any errors, irregularities or illegal acts, if such exist, on the part of the Company or its officers and employees.

Management of the Company has agreed to provide you with the full co-operation of the Company's employees including full access to facilities, assets and records during normal business hours. Management has indicated that they will answer all questions fully and fairly to the best of their ability and knowledge.

Management has agreed to keep you informed of any matters arising that are relevant to your work, and have further confirmed that you are and will remain at liberty to disclose to us any information which you consider relevant to our security and our understanding of the current security position of the Company.

This engagement and your related work should be kept confidential. The explanation that you give to any of the Company's employees who are not aware of your mandate as to the nature of the mandate is a matter for the Company's management to decide and to advise you thereof.

We understand that you will advise us if any situation comes to your attention that would materially affect the terms of this engagement letter.

The Company has accepted responsibility for your fees and expenses incurred in carrying out this engagement, failing which we guarantee their prompt payment and will debit the Company's accounts for such fees and expenses. We understand that your fees will be based on the time expended multiplied by the hourly rates and levels of staff involved. You are hereby authorized to use any of your employees or agents, as you consider necessary in your review of the affairs of the business of the Company.

The engagement of a Consultant shall not operate as a waiver or merger of any rights the Bank has under any agreement with the Company or under any security granted to it for the indebtedness of the Company to the Bank.

Dated at Toronto this 29 day of October 2024

Royal Bank of Canada

Per:

Ram Muralitharan

Name: Ram Muralitharam

Title: Senior Manager

The undersigned duly authorized representatives of the Company hereby consent to the terms of this engagement letter and the appointment of Spergel on the basis set out herein.

The Company understands and agrees that, notwithstanding the mandate set out herein, the remedies available to the Bank under the terms of its security with the Company remain in full force and effect and that the Bank can take steps to act on that security at any time.

The Company understands that if the Bank decides to enforce any of the security held by it against the Company's assets, the Consultant, or any person or corporation associated with it may, without the Company's consent, be appointed to act as Receiver and Manager of the Company's assets or as agent of the Bank.

The undersigned acknowledges and agrees that the employees and management of the Company will extend to Spergel unrestricted access to all of the books and records of the Company. During the course of this engagement, the undersigned acknowledges and agrees that Spergel will take no part in the management of the Company's business, for which the sole responsibility remains with the Company.

The undersigned acknowledges and agrees that the Company will be responsible for the prompt payment of the fees and expenses of Spergel relating to this engagement and that, if such fees and expenses cannot be paid directly, they will be paid by the Bank and added to the Company's indebtedness.

MOORE BROTHERS TRANSPORT LTD.

Per:



Name: *Susan Moore*
Title: *Chief Operating Officer*
I have authority to bind the corporation

msi Spergel inc. hereby consents to this engagement on the basis set out in the letter and agrees to operate within the terms of the engagement.

Per:



Name: Mukul Manchanda, CPA, CIRP, LIT
Title: Managing Partner

Appendix B



November 01, 2024

Via Email to: smoore@mooresbrothers.ca; rmoore@mooresbrothers.ca; and
pquentner@moorebrothers.ca

Moore Brothers Transport LTD.
13908 Hurontario Street,
Inglewood, ON, L7C 2B8

Re: MOORE BROTHERS TRANSPORT LTD. (the “Company”)

Dear Sir/Madam,

In connection with msi Spergel inc.'s (“MSI”) appointment by The Royal Bank of Canada (the “Bank”) to review the financial performance of the Company and to evaluate the Bank’s security position, we are requesting the following documentation, as it relates to the Company, in order to commence our review and fulfill our mandate:

1. Externally prepared financial statements for the last three years including copies of the corporate tax returns;
2. Internally prepared financial statements on a monthly basis for the current fiscal year;
3. Aged accounts receivable listing for the last twelve months;
4. Bank statements for the last twelve months;
5. Copies of all loan and lease documents;
6. Copy of lease agreement for the premises along with status of payment of rent;
7. A fully integrated forecast for a 12-month period, if one is available along with documents supporting the assumptions underlying the forecast;
8. A 13-week cash flow forecast;
9. Fixed asset continuity schedule;

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

10. Details of any other assets including intellectual property, tax credits etc:
11. Aged accounts payable listing for last six months;
12. Information with respect to amounts outstanding to owner operators by job;
13. Monthly HST filing reports, if the Company is required to report monthly, for the current calendar year and proof of payment of same;
14. Notice of assessment received from Canada Revenue Agency (“**CRA**”) in relation to the HST filings and amounts outstanding and paid and a printout from the myCRA Business website showing the current amount outstanding with respect to HST;
15. Monthly source deduction filings and proof of payment of same;
16. Most recent source deduction statement received from CRA and a printout from the myCRA Business website showing the current amount outstanding with respect to source deductions;
17. Number of employees on payroll;
18. How is the payroll managed, internally or externally? and
19. Amounts outstanding to employees broken into the following: a) wages; b) vacation pay; c) bonuses; d) commissions; e) termination pay; and f) severance pay.

Please be advised that the above list is non-exhaustive as we may require further information as we progress with our review.

Should you have any questions or concerns please do not hesitate to contact the undersigned.

msi Spergel inc.,

Per:



Paula Amaral, CPA, CMA
Senior Manager, Corporate Restructuring
& Insolvency



Appendix C

Moore Brothers Transport Ltd.

Financial Statements

Year ended July 31, 2021

(unaudited)

Moore Brothers Transport Ltd.

Index to the Financial Statements

For the year ended July 31, 2021

(unaudited)

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Independent Practitioner's Review Engagement Report

To the directors of
Moore Brothers Transport Ltd.

We have reviewed the accompanying financial statements of Moore Brothers Transport Ltd. that comprise the balance sheet as at July 31, 2021, and the statements of income and retained earnings and of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for Private Enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on the financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Moore Brothers Transport Ltd. as at July 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Private Enterprises.

Deeth & Co. LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
November 25, 2021

Moore Brothers Transport Ltd.
Statement of Income and Retained Earnings
For the year ended July 31, 2021
(unaudited)

	Notes	2021	2020
Revenue			
Transport services	\$	11,579,242	\$ 10,632,530
Fuel surcharge		371,778	401,298
		11,951,020	11,033,828
Expenses			
Advertising and promotion		64,918	88,293
Amortization	5, 6	881,449	657,226
Bad debts		15,000	9,911
Employee benefits		137,746	137,795
Insurance		291,613	240,998
Interest and bank charges		52,020	90,084
Interest on obligations under capital leases	9	205,741	156,614
Interest on long-term debt	10	7,006	370
Interest on BDC loan	11	11,359	-
License and permits		285,554	281,586
Management salaries		504,927	456,439
Occupancy costs	19	185,816	165,979
Office and general		184,755	181,191
Owner operators	18	1,752,881	1,935,620
Professional fees		159,450	79,700
Salaries and wages		3,520,198	3,485,461
Telecommunications and computer		132,431	106,066
Vehicle and equipment rental		269,899	462,848
Vehicle operating expenses		2,670,056	2,236,744
		11,332,819	10,772,925
Income from operations		618,201	260,903

The accompanying notes are an integral part of these financial statements

Moore Brothers Transport Ltd.
Statement of Income and Retained Earnings (continued)
For the year ended July 31, 2021

(unaudited)

Other items			
Government assistance related to COVID-19	20	94,428	205,407
Investment income		102	690
Foreign exchange loss		(11,962)	(4,154)
Gain on sale of marketable securities		15,775	-
Unrealized gain on marketable securities		1,991	-
Gain (loss) on sale of property and equipment		(96,533)	38,230
		3,801	240,173
Income before income taxes		622,002	501,076
Income taxes - current	15	4,286	4,253
Net income		617,716	496,823
Retained earnings, beginning of year		2,502,264	2,005,441
Retained earnings, end of year		\$ 3,119,980	\$ 2,502,264

The accompanying notes are an integral part of these financial statements

Moore Brothers Transport Ltd.**Balance Sheet****As at July 31, 2021***(unaudited)*

	Notes	2021	2020
Assets			
Current assets			
Cash		\$ 262,280	\$ 234,462
Marketable securities (cost - \$46,728; 2020 - \$70,656)		49,338	71,470
Accounts receivable	3	1,566,134	1,772,134
Prepaid and deposits		182,349	120,809
		2,060,101	2,198,875
Due from 2352518 Ontario Inc.	4	381,626	381,626
Property and equipment	5	1,792,438	1,556,326
Property and equipment under capital lease	6	4,273,838	3,900,333
Leasehold improvements not available for use		275,867	123,475
Rental deposit		43,658	-
		\$ 8,827,528	\$ 8,160,635
Liabilities			
Current liabilities			
Bank indebtedness		\$ 147,313	\$ 180,655
Operating line of credit	7	479,999	924,999
Accounts payable and accrued liabilities	8	798,680	1,016,490
Income taxes payable		4,286	4,253
Current portion of obligations under capital lease	9	1,037,571	844,019
Current portion of long-term debt	10	127,829	8,337
Current portion of BDC loan	11	79,980	-
Current portion of deferred gain on sale-leaseback	12	2,872	7,042
		2,678,530	2,985,795
Obligations under capital lease	9	2,372,597	2,503,398
Long-term debt	10	218,006	46,246
BDC loan	11	313,355	-
Deferred gain on sale-leaseback	12	-	2,872
Due to directors	13	125,000	120,000
		5,707,488	5,658,311
Shareholders' equity			
Share capital (Class B preference shares redeemable for \$21,952; Class C preference shares redeemable for \$195,500)	14	60	60
Retained earnings		3,119,980	2,502,264
		3,120,040	2,502,324
		\$ 8,827,528	\$ 8,160,635

Approved: _____

The accompanying notes are an integral part of these financial statements

Moore Brothers Transport Ltd.**Statement of Cash Flows****For the year ended July 31, 2021***(unaudited)*

	2021	2020
Cash flows from operating activities:		
Net income	\$ 617,716	\$ 496,823
Adjustments to reconcile net income to cash provided by operating activities:		
Amortization	881,449	657,226
Gain on sale of leaseback	(7,042)	(7,042)
Loss (gain) on disposal of property and equipment	103,575	(31,188)
Gain on disposal of marketable securities	(15,775)	-
Unrealized gain on investments	(1,991)	(327)
	1,577,932	1,115,492
Change in non-cash working capital items related to operations:		
Accounts receivable	206,000	(11,538)
Prepays and deposits	(61,540)	(15,023)
Accounts payable and accrued liabilities	(217,809)	97,945
Income taxes payable	33	4,253
Rental deposit	(43,658)	-
	1,460,958	1,191,129
Cash provided by (used in) financing activities:		
Acquisitions of obligations under capital leases	1,063,920	1,917,427
Repayments of obligations under capital leases	(1,001,169)	(646,259)
Acquisition of long-term debt	349,463	55,941
Repayment of long-term debt	(58,211)	(1,358)
Acquisition of BDC loan	400,000	-
Repayment of BDC loan	(6,665)	-
Due to directors	5,000	(109,776)
	752,338	1,215,975
Cash provided by (used in) investing activities:		
Due from 2352518 Ontario Inc.	-	(939)
Purchase of marketable securities	(62,938)	(60,363)
Proceeds from disposal of marketable securities	102,835	-
Acquisition of property and equipment and assets under capital lease	(1,628,642)	(2,325,029)
Acquisition of leasehold improvements not available for use	(152,391)	(123,475)
Proceeds from disposal of property and equipment	34,000	219,608
	(1,707,136)	(2,290,198)
Net increase in cash from activities	506,160	116,906
Cash at beginning of year	(871,192)	(988,098)
Cash at end of year	\$ (365,032)	\$ (871,192)

The accompanying notes are an integral part of these financial statements

Moore Brothers Transport Ltd.**Statement of Cash Flows****For the year ended July 31, 2021***(unaudited)***Bank indebtedness is comprised of:**

Cash	\$	262,280	\$	234,462
Bank indebtedness		(147,313)		(180,655)
Operating line of credit		(479,999)		(924,999)
	\$	(365,032)	\$	(871,192)

During the year, the Company had cash flows arising from interest and income taxes as follows:

Interest paid	\$	224,106	\$	156,984
Income taxes paid		4,253		-

The accompanying notes are an integral part of these financial statements

Moore Brothers Transport Ltd.

Notes to the Financial Statements

July 31, 2021

(unaudited)

1 Description of business

Moore Brothers Transport Ltd. is a private company incorporated under the *Ontario Business Corporations Act*. The Company is engaged in the transportation industry providing trucking services mainly to the steel industry.

2 Significant accounting policies

Revenue recognition

The Company recognizes revenue from transportation services, net of trade discounts and allowances, when persuasive evidence of an arrangement exists, the service has been performed, there are no future performance obligations, the selling price is fixed and determinable and collectability is reasonably assured. This occurs when the shipment arrives at its destination.

Property and equipment

Property, plant and equipment are stated at cost. Amortization is provided for over the estimated useful life of the assets at the following rates:

Computer hardware	30%	declining balance
Computer software	30%	declining balance
Equipment	20%	declining balance
Furniture and fixtures	20%	declining balance
Vehicles	30%	declining balance
Leasehold improvements	10 years	straight line
Tractors	2 to 7 years	straight line
Trailers	2 to 10 years	straight line

For vehicles, tractors and trailers, the amortizable cost base of individual items is limited to 80% of their original cost.

The Company begins amortizing property and equipment in the year in which it is made available for use.

Property and equipment under capital lease

The Company leases computer hardware, tractors and trailers on terms which transfer substantially all of the benefits and risks of ownership to the Company. These leases are accounted for as capital leases, as though an asset had been purchased and a liability incurred. Property and equipment under capital lease are stated at cost and are amortized over the estimated useful life of the asset at the following rates:

Computer hardware	30%	declining balance
Tractors	2 to 7 years	straight line
Trailers	2 to 10 years	straight line

For tractors and trailers, the amortizable cost base of individual items is limited to 80% of their original cost.

Income taxes

Income taxes are accounted for using the taxes payable method. Under this method, the Company reports only the cost of current income taxes for that year as an expense, determined in accordance with the rules established by taxation authorities.

Moore Brothers Transport Ltd.

Notes to the Financial Statements

July 31, 2021

(unaudited)

2 Significant accounting policies (continued)

Foreign exchange translation

Monetary assets and liabilities denominated in foreign currencies have been translated at the rate of exchange prevailing at the year end date. Non-monetary assets and liabilities are translated at the exchange rates in effect at the time of the transactions. Revenue and expenses denominated in foreign currencies are translated at prevailing market rates throughout the year. Exchange gains and losses are included in income.

Marketable securities

The Company accounts for its investment in marketable securities with a quoted price on an active market at fair value. Subsequent changes in fair value are recorded as an unrealized gain or loss until the underlying asset is disposed. Transaction costs that are directly attributable to the acquisition of these investments are recognized in net income in the period incurred.

Leases

Leases are classified as either capital or operating leases. A lease that transfers substantially all benefits and risks incidental to the ownership of property is classified as a capital lease. All other leases are accounted for as operating leases wherein rental payments are expensed as incurred.

Financial instruments

Measurement of financial instruments

The Company initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions, which are measured at the carrying amount or the exchange amount, as appropriate. The Company subsequently measures all of its financial assets and liabilities at amortized cost, except for marketable securities, which are measured at fair value. Financial assets measured at amortized cost include cash, accounts receivable and the rental deposit. Financial liabilities measured at amortized cost include bank indebtedness, operating line of credit, accounts payable and accrued liabilities, obligations under capital leases, long-term debt and the BDC loan.

Impairment

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Impairment of long-lived assets

Long-lived assets subject to amortization are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Moore Brothers Transport Ltd.**Notes to the Financial Statements****July 31, 2021***(unaudited)***2 Significant accounting policies (continued)****Use of estimates**

The preparation of these financial statements in conformity with Canadian Accounting Standards for Private Enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In March of 2020 the World Health Organization declared a pandemic due to the COVID-19 outbreak. Due to this pandemic, the Company's operations have been severely impacted. Assets and liabilities have been recorded using the best information available at the time of financial statement preparation. However, the uncertainty due to the pandemic may cause recorded amounts to be different than those actually realized and those differences may be material. The principal estimates used in these financial statements are the provision for allowance for doubtful accounts, accruals, the estimated lives of property and equipment and assets under capital lease, impairment assessments of long-lived assets and the provision for income taxes. Actual results could differ from management's best estimates as additional information becomes available.

3 Accounts receivable

Accounts receivable consists of the following:

	2021	2020
Trade receivables	\$ 1,553,764	\$ 1,776,656
Holdbacks receivable	17,447	5,478
Allowance for doubtful accounts	(5,077)	(10,000)
	\$ 1,566,134	\$ 1,772,134

4 Due from 2352518 Ontario Inc.

The loan receivable from the parent company is unsecured, non-interest bearing and not receivable within one year as agreed to by all parties.

Moore Brothers Transport Ltd.**Notes to the Financial Statements****July 31, 2021***(unaudited)***5 Property and equipment**

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Computer hardware	\$ 165,767	\$ 96,922	\$ 68,845	\$ 85,638
Computer software	47,847	39,826	8,021	10,869
Equipment	105,947	71,539	34,408	42,098
Furniture and fixtures	8,455	4,549	3,906	1,728
Vehicles	379,503	172,507	206,996	107,336
Leasehold improvements	187,043	76,284	110,759	126,883
Tractors	1,765,705	1,236,744	528,961	387,567
Trailers	2,423,235	1,592,693	830,542	794,207
	\$ 5,083,502	\$ 3,291,064	\$ 1,792,438	\$ 1,556,326

Amortization provided for the year totalled \$287,030 (2020 - \$199,517)

6 Property and equipment under capital lease

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Tractors	\$ 2,487,802	\$ 712,834	\$ 1,774,968	\$ 1,732,113
Trailers	3,598,246	1,110,330	2,487,916	2,151,703
Computer hardware	41,105	30,151	10,954	16,517
	\$ 6,127,153	\$ 1,853,315	\$ 4,273,838	\$ 3,900,333

Amortization provided for the year totalled \$594,419 (2020 - \$457,709)

Moore Brothers Transport Ltd.**Notes to the Financial Statements****July 31, 2021***(unaudited)***7 Operating line of credit**

The Company has an authorized operating loan facility of \$1,500,000 with its bank. The loan, which is due on demand, bears interest at a rate of prime + 1.00% per annum, with interest payable monthly. The loan is secured by a general security agreement on all assets, and guarantees of \$1,000,000 by certain directors of the Company. As at July 31, 2021, the Company has utilized \$479,999 (2020 - \$924,999) of the loan facility. The bank has imposed financial covenants, where the Company must maintain a Funded Debt to EBITDA ratio, calculated on a rolling four quarter basis, of not greater than 3.50 to 1.00, an EBITDA to Interest Expense plus the current portion of long term debt and capital leases, calculated on a rolling four quarter basis, of not less than 1.25 to 1.00 and a Debt to Tangible Net Worth ratio of not greater than 4.00 to 1.00. Without the bank's prior written consent; no dividends, withdrawals, bonuses or advances to shareholders, management or affiliates are permitted, no change in ownership is permitted, no mergers, acquisitions, investments or change in the Borrower's line of business are permitted, guarantees or other contingent liabilities are not to be entered into and assets are not to be further encumbered and the borrower will not grant or permit a Purchase Money Security Interest to any supplier or creditor. At year end, it is management's opinion that the Company is in compliance with all covenants set out in the bank agreement during the reporting period.

8 Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	2021	2020
Trade accounts payable and accrued liabilities	\$ 581,387	\$ 731,795
Gary Moore Haulage Inc.	20,262	9,043
Holdbacks payable	28,049	36,058
Government remittances payable	41,120	77,342
Withholdings payable	116,741	162,252
Accrued interest payable	11,121	-
	\$ 798,680	\$ 1,016,490

Moore Brothers Transport Ltd.**Notes to the Financial Statements****July 31, 2021***(unaudited)***9 Obligation under capital leases**

The Company has entered into leases for tractors and trailers that have been capitalized. The leases are secured by the equipment under lease. The minimum lease payments under the lease obligations, which expire at various dates through August 2026, are as follows:

2022	\$ 1,186,047
2023	1,016,598
2024	743,985
2025	450,735
2026	338,840
2027	7,863
Total minimum lease payments	<u>3,744,068</u>
Amounts representing interest at 2% to 15%	<u>(333,900)</u>
	3,410,168
Amounts due within one year	<u>(1,037,571)</u>
	<u>\$ 2,372,597</u>

Interest expense for the year includes \$205,741 (2020 - \$156,614) with respect to these obligations.

Moore Brothers Transport Ltd.**Notes to the Financial Statements****July 31, 2021***(unaudited)***10 Long-term debt**

	2021	2020
Ford F150 loan, repayable in monthly instalments of \$864, interest bearing at a rate of 3.99% and repayable over 72 months	\$ 46,246	\$ 54,583
Chrysler Pacifica loan, repayable in monthly instalments of \$1,147, interest bearing at 2.99% and repayable over 60 months	58,866	-
Ford F150 loan, repayable in bi-weekly instalments of \$350, interest bearing at a rate of 1.99% and repayable over 156 bi-weekly payments	44,282	-
Chevrolet Silverado loan, repayable in monthly instalments of \$1,050, interest bearing at 3.01% and repayable over 60 months	49,292	-
T800 Sleeper loan, repayable in monthly instalments of \$7,551, interest bearing at 2.99% and repayable over 24 months	147,149	-
	345,835	54,583
Amount due within one year	127,829	8,337
	\$ 218,006	\$ 46,246

The balances due over the next five years and subsequently are as follows:

Year ending July 31,	
2022	\$ 127,829
2023	101,790
2024	42,902
2025	44,212
2026	28,402
2027	700
	\$ 345,835

Interest expense for the year includes \$7,006 (2020 - \$370) with respect to these obligations.

Moore Brothers Transport Ltd.**Notes to the Financial Statements****July 31, 2021***(unaudited)***11 BDC loan**

	2021	2020
Term loan	\$ 393,335	\$ -
Amount due within one year	79,980	-
	\$ 313,355	\$ -

The loan is secured by a general security agreement from the Company. The loan bears interest at a floating base rate minus a variance of 1.75% per annum, with interest payable monthly. The loan is repayable in monthly instalments of \$6,665, with a balloon payment due on the maturity date.

The balances due over the next two years are as follows:

2022	\$ 79,980
2023	313,355
	\$ 393,335

Interest expense for the year includes \$11,359 (2020 - \$nil) with respect to this obligation.

12 Deferred gain on sale-leaseback

The deferred gain in the sale-leaseback agreement is being amortized in proportion to amortization of the leased assets. The gain of \$7,042 (2020 - \$7,042) was recognized in amortization expenses of property and equipment.

The remaining gains of \$2,872 will be recognized as income in fiscal 2022.

13 Due to directors

The balances due to directors are unsecured, non-interest bearing and not repayable within one year as agreed to by all parties.

Moore Brothers Transport Ltd.**Notes to the Financial Statements**

July 31, 2021

*(unaudited)***14 Share capital**

	<u>2021</u>	<u>2020</u>
Authorized		
Unlimited number of Class A preference shares		
Unlimited number of Class B preference shares		
Unlimited number of Class C preference shares		
Unlimited number of common shares		
Issued		
196 Class B preference shares, non-voting, non-cumulative, redeemable at \$112 per share, with paid-up capital of \$0.10 per share	\$ 20	\$ 20
300.7693 Class C preference shares, non-voting, non-cumulative, redeemable at \$650 per share, with paid-up capital of \$0.10 per share	30	30
100 common shares	10	10
	<u>\$ 60</u>	<u>\$ 60</u>

15 Income taxes

The impact of differences between the Company's reported income tax expense on operating income and the expense that would otherwise result from the application of statutory rates is as follows:

	<u>2021</u>	<u>2020</u>
Net income before taxes	\$ 622,002	\$ 501,076
Income tax at the combined tax rate of 26.50% (2020 - 26.50%)	\$ 164,831	\$ 132,785
Increase (decrease) in income tax expense resulting from:		
Non-deductible expenses	29,840	3,539
Non-deductible life insurance premiums	415	415
Non-taxable income	(4,180)	(10,131)
	<u>190,906</u>	<u>126,608</u>
Income or expenses claimed in different periods for income tax purposes:		
Financing fees	151	504
Amortization in excess of capital cost allowance	83,508	116,315
Application of prior year non-capital losses	-	(63,021)
Deductible payments on obligations under capital leases	(265,310)	(171,259)
	<u>9,255</u>	<u>9,147</u>
Rate adjustments:		
Small business deduction	(4,969)	(4,894)
Income tax expense	<u>\$ 4,286</u>	<u>\$ 4,253</u>

Moore Brothers Transport Ltd.

Notes to the Financial Statements

July 31, 2021

(unaudited)

16 Foreign exchange

For balance sheet purposes, amounts in foreign currencies have been translated into Canadian dollars at the rate of exchange in effect at year-end which is as follows:

July 31, 2021	US \$1.00 = Cdn	\$1.2462
July 31, 2020	US \$1.00 = Cdn	\$1.3404

17 Financial instruments

The Company is exposed to credit risk through its accounts receivable, which are by nature unsecured. The Company has credit management procedures in place to mitigate the risk to any one party and to the aggregate balance.

The Company requires credit checks from its clients in the normal course of operations. It maintains provisions for contingent losses. Concentration of credit risk arises when a group of clients having a similar characteristic such that their obligations are expected to be affected similarly by changes in economic or other conditions. Management does not estimate that they have any significant credit risk with respect to a single client. The Company transfers substantially all of the risk of non-collection of receivables through the purchase of accounts receivable insurance.

The Company is exposed to currency risk through its cash and accounts receivable. The Company monitors exchange rates on a daily basis. The Company has not entered into any derivative agreements to mitigate or manage this risk.

Cash and accounts receivable are exposed to foreign exchange fluctuations. As at July 31, 2021, cash of \$162,844 (2020 - \$169,132) and accounts receivable of \$nil (2020 - \$4,374) are the Canadian dollar translation amounts denominated in US dollars.

The Company is subject to interest rate risk to the extent that its interest rates are variable on its credit facility and BDC loan. The Company has not entered into any derivative agreements to mitigate or manage this risk. The Company is also subject to interest rate risk on the fair value of its fixed rate obligations under capital leases and long-term debt.

The Company is subject to liquidity risk through its debts and obligations. To ensure the Company is able to fund its obligations as they come due, it maintains accessible sources of liquidity. These sources consist of excess cash balances, an amount due from a related party, available financing from directors and shareholders and the undrawn portion of an operating line of credit.

The Company is also subject to liquidity risk through its debt financing which is contingent upon its ability to refinance the indebtedness as it matures. The Company mitigates this risk by ensuring it is secured by high quality assets and maintaining a conservative level of debt suitable to the Company's size in reference to the industry in which it operates.

The Company is subject to other price risk on the fair market value of marketable securities.

Moore Brothers Transport Ltd.

Notes to the Financial Statements

July 31, 2021

(unaudited)

18 Related party transactions

During the year, the Company paid owner operator and fuel expenses to Gary Moore Haulage Inc. in the amount of \$260,536 (2020 - \$148,921). This Company is considered to be a related party since management has the ability to exercise significant influence through its ownership of shares and presence on the board of directors over the same companies. As at July 31, 2021, amounts owing of \$20,262 (2020 - \$9,043) are included in accounts payable. These transactions are in the normal course of operations and are recorded at the exchange amount. The exchange amount is the amount of consideration established and agreed to by the related parties.

19 Lease commitments

The Company leases office and warehouse space from a third party. The minimum lease payments under the operating lease, which expires September 2026, are as follows:

Year ending July 31,		
2022	\$	359,044
2023		395,786
2024		408,339
2025		425,230
2026		442,257
2027		74,181

20 Government assistance

The Company's operational impact qualified them to apply for the Canada Emergency Wage Subsidy ("CEWS"). Included in income for the year is \$94,428 (2020 - \$205,407) related to CEWS.

21 Impact of COVID-19 pandemic

In March of 2020 the World Health Organization declared a pandemic due to the COVID-19 outbreak. This caused a significant disruption on the Company's available freight and back haulage, resulting in reduced efficiency and empty miles. The Company has successfully applied for government assistance utilizing the Canada Emergency Wage Subsidy (CEWS) relief program. It is unknown how long this pandemic will continue.

Although the COVID-19 pandemic has produced uncertainty to the Company's operations, as of the release of these financial statements, there are sufficient cash reserves to fund operations for the foreseeable future.

22 Subsequent event

Subsequent to July 31, 2021, the federal government discontinued the Canada Emergency Wage Subsidy relief program effective October 23, 2021.

23 Comparative figures

Certain of the prior year's figures have been reclassified to conform to the current year's presentation.

Moore Brothers Transport Ltd.

Financial Statements

Year ended July 31, 2022

Moore Brothers Transport Ltd.

Index to the Financial Statements

For the year ended July 31, 2022

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Independent Practitioner's Review Engagement Report

To the directors of
Moore Brothers Transport Ltd.

We have reviewed the accompanying financial statements of Moore Brothers Transport Ltd. that comprise the balance sheet as at July 31, 2022, and the statements of income and retained earnings and of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for Private Enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

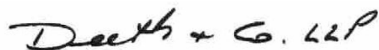
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on the financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Moore Brothers Transport Ltd. as at July 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Private Enterprises.



Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
November 16, 2022

Moore Brothers Transport Ltd.
Statement of Income and Retained Earnings
For the year ended July 31, 2022

	Notes	2022	2021
Revenue			
Transport services		\$ 13,666,849	\$ 11,579,242
Fuel surcharge		1,575,647	371,778
		15,242,496	11,951,020
Expenses			
Advertising and promotion		105,383	64,918
Amortization	5, 6	998,408	881,449
Bad debts		(5,077)	15,000
Employee benefits		155,764	137,746
Insurance		273,340	291,613
Interest and bank charges		69,324	52,020
Interest on obligations under capital leases	9	162,637	205,741
Interest on long-term debt	10	17,382	7,006
Interest on BDC loan	11	9,865	11,359
License and permits		278,605	285,554
Management salaries		548,959	504,927
Occupancy costs	19	654,617	185,816
Office and general		333,640	194,355
Owner operators	18	2,851,875	1,752,881
Professional fees		74,058	159,450
Salaries and wages		3,914,559	3,510,598
Telecommunications and computer		167,739	132,431
Vehicle and equipment rental		374,088	269,899
Vehicle operating expenses		3,611,098	2,670,056
		14,596,264	11,332,819
Income from operations		646,232	618,201

The accompanying notes are an integral part of these financial statements

Moore Brothers Transport Ltd.
Statement of Income and Retained Earnings (continued)
For the year ended July 31, 2022

Other items			
Government assistance related to COVID-19	20	-	94,428
Investment income		1,414	102
Foreign exchange loss		(780)	(11,962)
Gain (loss) on sale of marketable securities		(5,661)	15,775
Unrealized gain (loss) on marketable securities		(764)	1,991
Loss on disposal of property and equipment		(15,959)	(96,533)
		(21,750)	3,801
Income before income taxes		624,482	622,002
Income taxes	15	22,177	4,286
Net income		602,305	617,716
Retained earnings, beginning of year		3,119,980	2,502,264
Retained earnings, end of year		\$ 3,722,285	\$ 3,119,980

The accompanying notes are an integral part of these financial statements

Moore Brothers Transport Ltd.**Balance Sheet****As at July 31, 2022**

	Notes	2022	2021
Assets			
Current assets			
Cash		\$ 94,018	\$ 262,280
Marketable securities (cost - \$100,474; 2021 - \$46,728)		94,405	49,338
Accounts receivable	3	2,198,156	1,566,134
Income taxes receivable		5,634	-
Inventory		136,404	-
Prepaid expenses and deposits		165,783	182,349
		2,694,400	2,060,101
Due from 2352518 Ontario Inc.	4	381,626	381,626
Property and equipment	5	2,548,508	1,792,438
Property and equipment under capital lease	6	3,927,969	4,273,838
Leasehold improvements not available for use		275,866	275,866
Rental deposit		51,778	43,658
		\$ 9,880,147	\$ 8,827,527
Liabilities			
Current liabilities			
Bank indebtedness		\$ 186,830	\$ 147,313
Operating line of credit	7	659,999	479,999
Accounts payable and accrued liabilities	8	1,410,246	798,681
Income taxes payable		-	4,286
Current portion of obligations under capital lease	9	1,036,417	1,037,571
Current portion of long-term debt	10	177,336	127,829
Current portion of BDC loan	11	80,356	79,980
Current portion of deferred gain on sale-leaseback	12	-	2,872
		3,551,184	2,678,529
Obligations under capital lease	9	1,732,994	2,372,597
Long-term debt	10	475,625	218,006
BDC loan	11	232,999	313,355
Due to directors	13	165,000	125,000
		6,157,802	5,707,487
Shareholders' equity			
Share capital (Class B preference shares redeemable for \$21,952; Class C preference shares redeemable for \$195,500)	14	60	60
Retained earnings		3,722,285	3,119,980
		3,722,345	3,120,040
		\$ 9,880,147	\$ 8,827,527

Approved: _____

The accompanying notes are an integral part of these financial statements

Moore Brothers Transport Ltd.**Balance Sheet****As at July 31, 2022**

	2022	2021
Cash flows from operating activities:		
Net income	\$ 602,305	\$ 617,716
Adjustments to reconcile net income to cash provided by operating activities:		
Amortization	998,408	881,449
Amortization of gain on sale-leaseback	(2,872)	(7,042)
Loss on disposal of property and equipment	18,831	103,575
Loss (gain) on disposal of marketable securities	5,661	(15,775)
Unrealized loss (gain) on investments	764	(1,991)
	1,623,097	1,577,932
Change in non-cash working capital items related to operations:		
Accounts receivable	(632,022)	206,000
Inventory	(136,404)	-
Prepaid expenses and deposits	16,566	(61,540)
Rental deposits	(8,120)	(43,658)
Accounts payable and accrued liabilities	611,566	(217,809)
Income taxes payable	(9,920)	33
	1,464,763	1,460,958
Cash provided by (used in) financing activities:		
Acquisitions of obligations under capital leases	389,278	1,063,920
Repayments of obligations under capital leases	(1,030,035)	(1,001,169)
Acquisition of long-term debt	489,480	349,463
Repayment of long-term debt	(182,354)	(58,211)
Acquisition of BDC loan	-	400,000
Repayment of BDC loan	(79,980)	(6,665)
Due to directors	40,000	5,000
	(373,611)	752,338
Cash provided by (used in) investing activities:		
Purchase of marketable securities	(161,491)	(62,938)
Proceeds from disposal of marketable securities	110,000	102,835
Purchase of property and equipment	(614,409)	-
Acquisition of property and equipment and assets under capital lease	(813,031)	(1,628,642)
Acquisition of leasehold improvements not available for use	-	(152,391)
Proceeds from disposal of property and equipment	-	34,000
	(1,478,931)	(1,707,136)
Net increase (decrease) in cash from activities	(387,779)	506,160
Cash at beginning of year	(365,032)	(871,192)

The accompanying notes are an integral part of these financial statements

Moore Brothers Transport Ltd.**Balance Sheet****As at July 31, 2022**

Cash at end of year	\$	(752,811)	\$	(365,032)
Bank indebtedness is comprised of:				
Cash	\$	94,018	\$	262,280
Bank indebtedness		(186,830)		(147,313)
Operating line of credit		(659,999)		(479,999)
	\$	(752,811)	\$	(365,032)
During the year, the Company had cash flows arising from interest and income taxes as follows:				
Interest paid	\$	189,884	\$	224,106
Income taxes paid		32,097		4,253

The accompanying notes are an integral part of these financial statements

Moore Brothers Transport Ltd.

Notes to the Financial Statements

July 31, 2022

1 Description of business

Moore Brothers Transport Ltd. is a private company incorporated under the *Ontario Business Corporations Act*. The Company is engaged in the transportation industry providing trucking services mainly to the steel industry.

2 Significant accounting policies

Revenue recognition

The Company recognizes revenue from transportation services, net of trade discounts and allowances, when persuasive evidence of an arrangement exists, the service has been performed, there are no future performance obligations, the selling price is fixed and determinable and collectability is reasonably assured. This occurs when the shipment arrives at its destination.

Property and equipment

Property and equipment are stated at cost. Amortization is provided for over the estimated useful life of the assets at the following rates:

Computer hardware	30%	declining balance
Computer software	30%	declining balance
Equipment	20%	declining balance
Furniture and fixtures	20%	declining balance
Vehicles	30%	declining balance
Leasehold improvements	10 years	straight line
Tractors	2 to 7 years	straight line
Trailers	2 to 10 years	straight line

For vehicles, tractors and trailers, the amortizable cost base of each individual item is limited to 80% of its original cost. Any capitalized additions to individual assets are accounted for as extensions to the asset's amortizable life.

The Company begins amortizing property and equipment in the year in which it is made available for use.

Property and equipment under capital lease

The Company leases computer hardware, tractors and trailers on terms which transfer substantially all of the benefits and risks of ownership to the Company. These leases are accounted for as capital leases, as though an asset had been purchased and a liability incurred. Property and equipment under capital lease are stated at cost and are amortized over the estimated useful life of the asset at the following rates:

Computer hardware	30%	declining balance
Tractors	2 to 7 years	straight line
Trailers	2 to 10 years	straight line

For tractors and trailers, the amortizable cost base of each individual asset is limited to 80% of its original cost. Any capitalized additions to individual assets are accounted for as extensions to the asset's amortizable life.

The Company begins amortizing property and equipment under capital lease in the year in which it is made available for use.

Moore Brothers Transport Ltd.

Notes to the Financial Statements

July 31, 2022

2 Significant accounting policies (continued)

Income taxes

Income taxes are accounted for using the taxes payable method. Under this method, the Company reports only the cost of current income taxes for that year as an expense, determined in accordance with the rules established by taxation authorities.

Foreign exchange translation

Monetary assets and liabilities denominated in foreign currencies have been translated at the rate of exchange prevailing at the year end date. Non-monetary assets and liabilities are translated at the exchange rates in effect at the time of the transactions. Revenue and expenses denominated in foreign currencies are translated at prevailing market rates throughout the year. Exchange gains and losses are included in income.

Marketable securities

The Company accounts for its investment in marketable securities with a quoted price on an active market at fair value. Subsequent changes in fair value are recorded as an unrealized gain or loss until the underlying asset is disposed. Transaction costs that are directly attributable to the acquisition of these investments are recognized in net income in the period incurred.

Leases

Leases are classified as either capital or operating leases. A lease that transfers substantially all benefits and risks incidental to the ownership of property is classified as a capital lease. Short-term leases are accounted for as operating leases where rental payments are expensed as incurred. Long-term leases are accounted for as operating leases wherein rental payments are expensed on a straight line basis.

Financial instruments

Measurement of financial instruments

The Company initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions, which are measured at the carrying amount or the exchange amount, as appropriate. The Company subsequently measures all of its financial assets and liabilities at amortized cost, except for marketable securities, which are measured at fair value. Financial assets measured at amortized cost include cash, accounts receivable and the rental deposits. Financial liabilities measured at amortized cost include bank indebtedness, operating line of credit, accounts payable and accrued liabilities, obligations under capital leases, long-term debt and the BDC loan.

Impairment

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Moore Brothers Transport Ltd.**Notes to the Financial Statements**

July 31, 2022

2 Significant accounting policies (continued)**Impairment of long-lived assets**

Long-lived assets subject to amortization are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Use of estimates

The preparation of these financial statements in conformity with Canadian Accounting Standards for Private Enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In March of 2020 the World Health Organization declared a pandemic due to the COVID-19 outbreak. Due to this pandemic, the Company's operations have been severely impacted. Assets and liabilities have been recorded using the best information available at the time of financial statement preparation. However, the uncertainty due to the pandemic may cause recorded amounts to be different than those actually realized and those differences may be material. The principal estimates used in these financial statements are the provision for allowance for doubtful accounts, accruals, the estimated lives of property and equipment and assets under capital lease, impairment assessments of long-lived assets and the provision for income taxes. Actual results could differ from management's best estimates as additional information becomes available.

3 Accounts receivable

Accounts receivable consists of the following:

	2022	2021
Trade receivables	\$ 2,169,877	\$ 1,553,764
Holdbacks receivable	28,279	17,447
Allowance for doubtful accounts	-	(5,077)
	\$ 2,198,156	\$ 1,566,134

4 Due from 2352518 Ontario Inc.

The loan receivable from the parent company is unsecured, non-interest bearing and will not be repaid within one year as agreed to by all parties.

Moore Brothers Transport Ltd.**Notes to the Financial Statements**

July 31, 2022

5 Property and equipment

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer hardware	\$ 249,561	\$ 142,518	\$ 107,043	\$ 68,845
Computer software	47,847	41,927	5,920	8,021
Equipment	152,008	84,381	67,627	34,408
Furniture and fixtures	42,355	10,635	31,720	3,906
Vehicles	448,424	237,643	210,781	206,996
Leasehold improvements	353,935	108,201	245,734	110,759
Tractors	1,925,326	1,346,053	579,273	528,961
Trailers	3,723,456	2,423,046	1,300,410	830,542
	\$ 6,942,912	\$ 4,394,404	\$ 2,548,508	\$ 1,792,438

Amortization provided for the year totalled \$399,945 (2021 - \$287,030)

6 Property and equipment under capital lease

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Tractors	\$ 2,481,041	\$ 984,549	\$ 1,496,492	\$ 1,774,968
Trailers	3,118,770	690,781	2,427,989	2,487,916
Computer hardware	13,088	9,600	3,488	10,954
	\$ 5,612,899	\$ 1,684,930	\$ 3,927,969	\$ 4,273,838

Amortization provided for the year totalled \$598,463 (2021 - \$594,419)

Moore Brothers Transport Ltd.**Notes to the Financial Statements**

July 31, 2022

7 Operating line of credit

The Company has an authorized operating loan facility of \$1,500,000 with its bank. The loan, which is due on demand, bears interest at a rate of prime + 1.00% per annum, with interest payable monthly. The loan is secured by a general security agreement on all assets, and guarantees of \$1,000,000 by certain directors of the Company. As at July 31, 2022, the Company has utilized \$659,999 (2021 - \$479,999) of the loan facility. The bank has imposed financial covenants, where the Company must maintain a Funded Debt to EBITDA ratio, calculated on a rolling four quarter basis, of not greater than 3.50 to 1.00, an EBITDA to Interest Expense plus the current portion of long term debt and capital leases, calculated on a rolling four quarter basis, of not less than 1.25 to 1.00 and a Debt to Tangible Net Worth ratio of not greater than 4.00 to 1.00. Without the bank's prior written consent; no dividends, withdrawals, bonuses or advances to shareholders, management or affiliates are permitted, no change in ownership is permitted, no mergers, acquisitions, investments or change in the Borrower's line of business are permitted, guarantees or other contingent liabilities are not to be entered into and assets are not to be further encumbered and the borrower will not grant or permit a Purchase Money Security Interest to any supplier or creditor. At year end, it is management's opinion that the Company is in compliance with all covenants set out in the bank agreement during the reporting period.

8 Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	2022	2021
Trade accounts payable and accrued liabilities	\$ 1,146,294	\$ 581,388
Gary Moore Haulage Inc.	11,464	20,262
Holdbacks payable	12,552	28,049
Government remittances payable	96,968	41,120
Withholdings payable	131,944	116,741
Accrued interest payable	11,024	11,121
	\$ 1,410,246	\$ 798,681

Moore Brothers Transport Ltd.**Notes to the Financial Statements**

July 31, 2022

9 Obligation under capital leases

The Company has entered into leases for tractors and trailers that have been capitalized. The leases are secured by the equipment under lease. The minimum lease payments under the lease obligations, which expire at various dates through August 2026, are as follows:

2023	\$ 1,155,970
2024	841,194
2025	510,633
2026	398,738
2027	67,762
2028	33,278
Total minimum lease payments	3,007,575
Amounts representing interest at 2% to 15%	(238,164)
	2,769,411
Amounts due within one year	(1,036,417)
	\$ 1,732,994

Interest expense for the year includes \$162,637 (2021 - \$205,741) with respect to these obligations.

Moore Brothers Transport Ltd.**Notes to the Financial Statements**

July 31, 2022

10 Long-term debt

	<u>2022</u>	2021
Ford F150 loan, repayable in monthly instalments of \$864, interest bearing at a rate of 3.99% and repayable over 72 months	\$ 37,571	\$ 46,246
Chrysler Pacifica loan, repayable in monthly instalments of \$1,147, interest bearing at 2.99% and repayable over 60 months	46,699	58,866
Ford F150 loan, repayable in bi-weekly instalments of \$350, interest bearing at a rate of 1.99% and repayable over 156 bi-weekly payments	35,977	44,282
Chevrolet Silverado loan, repayable in monthly instalments of \$1,050, interest bearing at 3.01% and repayable over 60 months	38,019	49,292
T800 Sleeper loan, repayable in monthly instalments of \$7,551, interest bearing at 2.99% and repayable over 24 months	59,740	147,149
Trailmobile loan, repayable in monthly instalments of \$7,805, interest bearing at 4.79% and repayable over 72 months.	342,365	-
Cargo van & engine rebuild loan, repayable in monthly instalments of \$1,962, interest bearing at 3.63% and repayable over 60 months.	92,590	-
	652,961	345,835
Amount due within one year	177,336	127,829
	\$ 475,625	\$ 218,006

The balances due over the next five years and subsequently are as follows:

Year ending July 31,	
2023	\$ 177,405
2024	121,971
2025	126,897
2026	114,870
2027	73,254
2028	38,564
	\$ 652,961

Interest expense for the year includes \$17,382 (2021 - \$7,006) with respect to these obligations.

Moore Brothers Transport Ltd.**Notes to the Financial Statements**

July 31, 2022

11 BDC loan

	2022	2021
Term loan	\$ 313,355	\$ 393,335
Amount due within one year	80,356	79,980
	\$ 232,999	\$ 313,355

The loan is secured by a general security agreement from the Company. The loan bears interest at a floating base rate minus a variance of 1.75% per annum, with interest payable monthly. The loan is repayable in monthly instalments of \$6,665 until the maturity date of May 15, 2026.

Interest expense for the year includes \$9,865 (2021 - \$11,359) with respect to this obligation.

12 Deferred gain on sale-leaseback

The deferred gain in the sale-leaseback agreement is being amortized in proportion to amortization of the leased assets. The gain of \$2,872 (2021 - \$7,042) was recognized in amortization expenses of property and equipment.

13 Due to directors

The balances due to directors are unsecured, non-interest bearing and will not be repaid within one year as agreed to by all parties.

Moore Brothers Transport Ltd.**Notes to the Financial Statements**

July 31, 2022

14 Share capital

	<u>2022</u>	<u>2021</u>
Authorized		
Unlimited number of Class A preference shares		
Unlimited number of Class B preference shares		
Unlimited number of Class C preference shares		
Unlimited number of common shares		
Issued		
196 Class B preference shares, non-voting, non-cumulative, redeemable at \$112 per share, with paid-up capital of \$0.10 per share	\$ 20	\$ 20
300.7693 Class C preference shares, non-voting, non-cumulative, redeemable at \$650 per share, with paid-up capital of \$0.10 per share	30	30
100 common shares	10	10
	<u>\$ 60</u>	<u>\$ 60</u>

Moore Brothers Transport Ltd.**Notes to the Financial Statements**

July 31, 2022

15 Income taxes

The impact of differences between the Company's reported income tax expense on operating income and the expense that would otherwise result from the application of statutory rates is as follows:

	2022	2021
Net income before taxes	\$ 624,482	\$ 622,002
Income tax at the combined tax rate of 26.50% (2021 - 26.50%)	\$ 165,488	\$ 164,831
Increase (decrease) in income tax expense resulting from:		
Non-deductible expenses	10,416	29,840
Non-deductible life insurance premiums	512	415
Non-taxable income	(375)	(4,180)
	176,041	190,906
Income or expenses claimed in different periods for income tax purposes:		
Financing fees	(402)	151
Amortization in excess of capital cost allowance	65,921	83,508
Deductible payments on obligations under capital leases	(271,790)	(265,310)
Unrealized loss on fair market value of marketable securities	202	-
Charitable donation deductions carried forward for future use	6,076	-
	(23,952)	9,255
Rate adjustments:		
Small business deduction	12,733	(4,969)
Income tax underprovision	32,854	-
Part IV tax	542	-
Income tax expense	\$ 22,177	\$ 4,286

The Company has charitable donation credits in the amount of \$22,928 that are available for carryforward to offset future income taxes, the effect of which has not been recognized in these financial statements. These credits expire if unused after fiscal 2027.

16 Foreign exchange

For balance sheet purposes, amounts in foreign currencies have been translated into Canadian dollars at the rate of exchange in effect at year-end which is as follows:

July 31, 2022	US \$1.00 = Cdn	\$1.2824
July 31, 2021	US \$1.00 = Cdn	\$1.2462

Moore Brothers Transport Ltd.

Notes to the Financial Statements

July 31, 2022

17 Financial instruments

The Company is exposed to credit risk through its accounts receivable, which are by nature unsecured. The Company has credit management procedures in place to mitigate the risk to any one party and to the aggregate balance.

The Company requires credit checks from its clients in the normal course of operations. It maintains provisions for contingent losses. Concentration of credit risk arises when a group of clients having a similar characteristic such that their obligations are expected to be affected similarly by changes in economic or other conditions. Management does not estimate that they have any significant credit risk with respect to a single client. The Company transfers substantially all of the risk of non-collection of receivables through the purchase of accounts receivable insurance.

The Company is exposed to currency risk through its cash and accounts receivable. The Company monitors exchange rates on a daily basis. The Company has not entered into any derivative agreements to mitigate or manage this risk.

Cash is exposed to foreign exchange fluctuations. As at July 31, 2022, cash of \$13,609 (2021 - \$162,844).

The Company is subject to interest rate risk to the extent that its interest rates are variable on its credit facility and BDC loan. The Company has not entered into any derivative agreements to mitigate or manage this risk. The Company is also subject to interest rate risk on the fair value of its fixed rate obligations under capital leases and long-term debt.

The Company is subject to liquidity risk through its debts and obligations. To ensure the Company is able to fund its obligations as they come due, it maintains accessible sources of liquidity. These sources consist of excess cash balances, an amount due from a related party, available financing from directors and shareholders and the undrawn portion of an operating line of credit.

The Company is also subject to liquidity risk through its debt financing which is contingent upon its ability to refinance the indebtedness as it matures. The Company mitigates this risk by ensuring it is secured by high quality assets and maintaining a conservative level of debt suitable to the Company's size in reference to the industry in which it operates.

The Company is subject to other price risk on the fair market value of its marketable securities.

18 Related party transactions

During the year, the Company paid owner operator and fuel expenses to Gary Moore Haulage Inc. in the amount of \$307,273 (2021 - \$260,536). This Company is considered to be a related party since management has the ability to exercise significant influence through its ownership of shares and presence on the board of directors over the same companies. As at July 31, 2022, amounts owing of \$11,464 (2021 - \$20,262) are included in accounts payable. These transactions are in the normal course of operations and are recorded at the exchange amount. The exchange amount is the amount of consideration established and agreed to by the related parties.

Moore Brothers Transport Ltd.**Notes to the Financial Statements****July 31, 2022****19 Lease commitments**

The Company leases office and warehouse space from third parties. The minimum lease payments under the operating leases, which expire on various dates up to April 2027, are as follows:

Year ending July 31,			
	2023	\$	482,993
	2024		498,159
	2025		517,720
	2026		537,537
	2027		147,261

The Company leases a vehicle under an operating lease. The minimum lease payments under the operating lease, which expires in September 2025, is as follows:

Year ending July 31,			
	2023	\$	15,791
	2024		15,791
	2025		15,791
	2026		1,316

20 Government assistance

The Company's operational impact qualified them to apply for the Canada Emergency Wage Subsidy ("CEWS"). Included in income for the year is \$nil (2021- \$94,428) related to CEWS.

21 Impact of COVID-19 pandemic

In March of 2020 the World Health Organization declared a pandemic due to the COVID-19 outbreak. This caused a significant disruption on the Company's available freight and back haulage, resulting in reduced efficiency and empty miles. The Company has successfully applied for government assistance utilizing the Canada Emergency Wage Subsidy (CEWS) relief program. It is unknown how long this pandemic will continue.

Although the COVID-19 pandemic has produced uncertainty to the Company's operations, as of the release of these financial statements, there are sufficient cash reserves to fund operations for the foreseeable future.

22 Comparative figures

Certain of the prior year's figures have been reclassified to conform to the current year's presentation.

Moore Brothers Transport Ltd.

Financial Statements

Year ended July 31, 2023

Moore Brothers Transport Ltd.

Index to the Financial Statements

For the year ended July 31, 2023

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Independent Practitioner's Review Engagement Report

To the directors of
Moore Brothers Transport Ltd.

We have reviewed the accompanying financial statements of Moore Brothers Transport Ltd. that comprise the balance sheet as at July 31, 2023, and the statements of income (loss) and retained earnings and of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for Private Enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

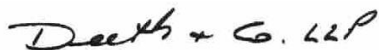
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on the financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Moore Brothers Transport Ltd. as at July 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Private Enterprises.



Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
December 6, 2023

Moore Brothers Transport Ltd.
Statement of Income (loss) and Retained Earnings
For the year ended July 31, 2023

	Notes	2023	2022
Revenue			
Transport services		\$ 13,322,544	\$ 13,311,874
Fuel surcharge		2,206,998	1,575,647
Workshop services		520,858	295,812
Warehouse rental and services		160,850	44,621
Freight brokerage		198,445	14,542
		16,409,695	15,242,496
Expenses			
Advertising and promotion		138,931	105,384
Amortization	5, 6	1,179,145	998,408
Bad debts (recovered)		10,000	(5,077)
Donations		28,469	22,928
Employee benefits		164,525	155,764
Insurance		690,568	273,340
Interest and bank charges		48,590	31,714
Interest on operating lines of credit	7	92,977	37,610
Interest on obligations under capital leases	9	240,028	162,637
Interest on long-term debt	10	21,987	17,382
Interest on BDC loan	11	18,582	9,865
License and permits		272,779	278,605
Management salaries		593,709	548,959
Occupancy costs	19	632,231	654,617
Office and general		433,234	310,712
Owner operators	18	3,782,273	2,851,875
Professional fees		78,749	74,058
Salaries and wages		4,108,322	3,914,559
Telecommunications and computer		229,492	167,739
Vehicle and equipment rental		611,097	374,088
Vehicle fuel expenses		1,618,154	1,964,389
Vehicle repairs and maintenance		969,779	1,266,325
Other vehicle expenses		589,114	380,383
		16,552,735	14,596,264
Operating income (loss)		(143,040)	646,232

The accompanying notes are an integral part of these financial statements

Moore Brothers Transport Ltd.**Statement of Income (loss) and Retained Earnings (continued)****For the year ended July 31, 2023**

Other items			
Investment income		658	1,414
Foreign exchange gain (loss)		2,516	(780)
Gain (loss) on sale of marketable securities		504	(5,661)
Unrealized gain (loss) on marketable securities		8,130	(764)
Loss on disposal of property and equipment		(41,101)	(15,959)
		(29,293)	(21,750)
Income (loss) before income taxes		(172,333)	624,482
Income taxes (recovered)	15	(30,248)	22,177
Net income (loss)		(142,085)	602,305
Retained earnings, beginning of year		3,722,285	3,119,980
Retained earnings, end of year		\$ 3,580,200	\$ 3,722,285

The accompanying notes are an integral part of these financial statements

Moore Brothers Transport Ltd.**Balance Sheet**

As at July 31, 2023

	Notes	2023	2022
Assets			
Current assets			
Cash		\$ 286,734	\$ 94,018
Marketable securities (cost - \$23,695; 2022 - \$100,474)		24,696	94,405
Accounts receivable	3	1,927,627	2,198,156
Income taxes receivable		30,023	5,634
Inventory		277,921	136,404
Prepaid expenses and deposits		230,085	165,783
		2,777,086	2,694,400
Due from 2352518 Ontario Inc.	4	369,605	381,626
Property and equipment	5	1,988,116	2,548,508
Property and equipment under capital lease	6	6,177,889	3,927,969
Leasehold improvements not available for use		275,866	275,866
Rental deposit		51,778	51,778
		\$ 11,640,340	\$ 9,880,147
Liabilities			
Current liabilities			
Bank indebtedness		\$ 202,521	\$ 186,830
Operating line of credit	7, 20	1,419,999	659,999
Accounts payable and accrued liabilities	8	1,634,331	1,410,246
Current portion of obligations under capital lease	9, 20	1,175,009	1,036,417
Current portion of long-term debt	10, 20	122,001	177,336
Current portion of BDC term loan	11, 20	82,236	80,356
Current portion of RBC non-revolving term loan	12	76,856	-
		4,712,953	3,551,184
Obligations under capital lease	9, 20	2,650,814	1,732,994
Long-term debt	10, 20	353,624	475,625
BDC term loan	11, 20	151,139	232,999
RBC non-revolving term loan	12	173,144	-
Due to directors	13, 20	18,406	165,000
		8,060,080	6,157,802
Shareholders' equity			
Share capital (Class B preference shares redeemable for \$21,952; Class C preference shares redeemable for \$195,500)	14	60	60
Retained earnings		3,580,200	3,722,285
		3,580,260	3,722,345
		\$ 11,640,340	\$ 9,880,147

Approved: _____

The accompanying notes are an integral part of these financial statements

Moore Brothers Transport Ltd.**Statement of Cash Flows****For the year ended July 31, 2023**

	2023	2022
Cash flows from operating activities:		
Net income (loss)	\$ (142,085)	\$ 602,305
Adjustments to reconcile net income (loss) to cash provided by operating activities:		
Amortization	1,179,145	998,408
Loss on disposal of property and equipment	41,101	15,959
Loss (gain) on disposal of marketable securities	(504)	5,661
Unrealized loss (gain) on investments	(8,130)	764
	1,069,527	1,623,097
Change in non-cash working capital items related to operations:		
Accounts receivable	270,529	(632,022)
Income taxes receivable	(24,389)	(9,920)
Inventory	(141,517)	(136,404)
Prepaid expenses and deposits	(64,302)	16,566
Rental deposits	-	(8,120)
Accounts payable and accrued liabilities	224,085	611,566
	1,333,933	1,464,763
Cash provided by (used in) financing activities:		
Acquisitions of obligations under capital leases	2,329,681	389,278
Repayments of obligations under capital leases	(1,273,269)	(1,030,035)
Acquisition of long-term debt	250,000	489,480
Repayment of long-term debt	(177,336)	(182,354)
Repayment of BDC loan	(79,980)	(79,980)
Due to directors	(146,594)	40,000
	902,502	(373,611)
Cash provided by (used in) investing activities:		
Due from 2352518 Ontario Inc.	12,021	-
Purchase of marketable securities	(135,658)	(161,491)
Proceeds from disposal of marketable securities	214,000	110,000
Purchase of property and equipment	(499,620)	(614,409)
Acquisition of property and equipment and assets under capital lease	(2,595,663)	(813,031)
Proceeds from disposal of property and equipment	185,510	-
	(2,819,410)	(1,478,931)
Net decrease in cash from activities	(582,975)	(387,779)
Cash at beginning of year	(752,811)	(365,032)
Cash at end of year	\$ (1,335,786)	\$ (752,811)

The accompanying notes are an integral part of these financial statements

Moore Brothers Transport Ltd.**Statement of Cash Flows (continued)****For the year ended July 31, 2023****Bank indebtedness is comprised of:**

Cash	\$	286,734	\$	94,018
Bank indebtedness		(202,521)		(186,830)
Operating line of credit		(1,419,999)		(659,999)
	\$	(1,335,786)	\$	(752,811)

During the year, the Company had cash flows arising from interest and income taxes as follows:

Interest paid	\$	373,574	\$	227,494
Income taxes paid (recovered)		(5,813)		32,097

The accompanying notes are an integral part of these financial statements

Moore Brothers Transport Ltd.

Notes to the Financial Statements

July 31, 2023

1 Description of business

Moore Brothers Transport Ltd. is a private company incorporated under the *Ontario Business Corporations Act*. The Company provides flatbed transportation services using their own fleet of trucks and trailers.

2 Significant accounting policies

Revenue recognition

The Company recognizes revenue from transportation services, net of trade discounts and allowances, when persuasive evidence of an arrangement exists, the service has been performed, there are no future performance obligations, the selling price is fixed and determinable and collectability is reasonably assured. This occurs when the shipment arrives at its destination.

For all other services, the revenue is recognized when the service has been performed, persuasive evidence of an arrangement exists, the selling price is fixed and determinable and collectability is reasonably assured.

Property and equipment

Property and equipment are stated at cost. Amortization is provided for over the estimated useful life of the assets at the following rates:

Computer hardware	30%	declining balance
Computer software	20%	declining balance
Equipment	20%	declining balance
Furniture and fixtures	20%	declining balance
Vehicles	30%	declining balance
Leasehold improvements	10 years	straight line
Tractors	2 to 7 years	straight line
Trailers	2 to 10 years	straight line

For vehicles, tractors and trailers, the amortizable cost base of each individual item is limited to 80% of its original cost. Any significant expenditures that extend the asset's usability beyond its normal operating life are capitalized and amortized over the extended life of the asset.

The Company begins amortizing property and equipment in the year in which it is made available for use.

Moore Brothers Transport Ltd.

Notes to the Financial Statements

July 31, 2023

2 Significant accounting policies (continued)

Property and equipment under capital lease

The Company leases computer hardware, equipment, tractors and trailers on terms which transfer substantially all of the benefits and risks of ownership to the Company. These leases are accounted for as capital leases, as though an asset had been purchased and a liability incurred. Property and equipment under capital lease are stated at cost and are amortized over the estimated useful life of the asset at the following rates:

Computer hardware	30%	declining balance
Equipment	20%	declining balance
Tractors	2 to 7 years	straight line
Trailers	2 to 10 years	straight line

For tractors and trailers, the amortizable cost base of each individual asset is limited to 80% of its original cost.

The Company begins amortizing property and equipment under capital lease in the year in which it is made available for use.

Income taxes

Income taxes are accounted for using the taxes payable method. Under this method, the Company reports only the cost of current income taxes for that year as an expense, determined in accordance with the rules established by taxation authorities.

Foreign exchange translation

Monetary assets and liabilities denominated in foreign currencies have been translated at the rate of exchange prevailing at the year end date. Non-monetary assets and liabilities are translated at the exchange rates in effect at the time of the transactions. Revenue and expenses denominated in foreign currencies are translated at prevailing market rates throughout the year. Exchange gains and losses are included in income.

Marketable securities

The Company accounts for its investment in marketable securities with a quoted price on an active market at fair value. Subsequent changes in fair value are recorded as an unrealized gain or loss until the underlying asset is disposed. Transaction costs that are directly attributable to the acquisition of these investments are recognized in net income in the period incurred.

Leases

Leases are classified as either capital or operating leases. A lease that transfers substantially all benefits and risks incidental to the ownership of property is classified as a capital lease. Short-term leases are accounted for as operating leases where rental payments are expensed as incurred. Rental payments for long-term operating leases are expensed on a straight line basis.

Moore Brothers Transport Ltd.

Notes to the Financial Statements

July 31, 2023

2 Significant accounting policies (continued)

Financial instruments

Measurement of financial instruments

The Company initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions, which are measured at the carrying amount or the exchange amount, as appropriate. The Company subsequently measures all of its financial assets and liabilities at amortized cost, except for marketable securities, which are measured at fair value. Financial assets measured at amortized cost include cash, accounts receivable and the rental deposits. Financial liabilities measured at amortized cost include bank indebtedness, operating line of credit, accounts payable and accrued liabilities, obligations under capital leases, long-term debt and the BDC loan.

Impairment

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Impairment of long-lived assets

Long-lived assets subject to amortization are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Use of estimates

The preparation of these financial statements in conformity with Canadian Accounting Standards for Private Enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The principal estimates used in these financial statements are the provision for allowance for doubtful accounts, accruals, the estimated lives of property and equipment and assets under capital lease, impairment assessments of long-lived assets and the provisions for inventory obsolescence and income taxes. Actual results could differ from management's best estimates as additional information becomes available.

3 Accounts receivable

Accounts receivable consists of the following:

	2023	2022
Trade receivables	\$ 1,866,252	\$ 2,169,877
Holdbacks receivable	71,375	28,279
Allowance for doubtful accounts	(10,000)	-
	\$ 1,927,627	\$ 2,198,156

Moore Brothers Transport Ltd.**Notes to the Financial Statements**

July 31, 2023

4 Due from 2352518 Ontario Inc.

The loan receivable from the parent company is unsecured, non-interest bearing and will not be repaid within one year as agreed to by all parties.

5 Property and equipment

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer hardware	\$ 356,743	\$ 196,875	\$ 159,868	\$ 107,043
Computer software	47,847	43,478	4,369	5,920
Equipment	152,008	102,861	49,147	67,627
Furniture and fixtures	76,250	20,185	56,065	31,720
Vehicles	448,424	292,868	155,556	210,781
Leasehold improvements	473,678	149,679	323,999	245,734
Tractors	2,271,120	2,048,689	222,431	579,273
Trailers	3,864,304	2,847,623	1,016,681	1,300,410
	\$ 7,690,374	\$ 5,702,258	\$ 1,988,116	\$ 2,548,508

Amortization provided for the year totalled \$455,319 (2022 - \$399,945).

6 Property and equipment under capital lease

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer hardware	\$ 23,026	\$ 3,169	\$ 19,857	\$ 3,488
Equipment	61,977	8,081	53,896	-
Tractors	3,408,848	626,592	2,782,256	1,496,492
Trailers	4,061,712	739,832	3,321,880	2,427,989
	\$ 7,555,563	\$ 1,377,674	\$ 6,177,889	\$ 3,927,969

Amortization provided for the year totalled \$723,826 (2022 - \$598,463).

Moore Brothers Transport Ltd.**Notes to the Financial Statements**

July 31, 2023

7 Operating line of credit

The Company has an authorized operating loan facility with a limit of \$1,900,000 (2022 - \$1,500,000) with its bank. The line of credit, which is due on demand, bears interest at a rate of prime + 1.00% per annum, with interest payable monthly. The loan is secured by a general security agreement on all assets, and guarantees of \$1,000,000 by directors of the Company. As at July 31, 2023, the Company has utilized \$1,419,999 (2022 - \$659,999) of the loan facility. The bank has imposed financial covenants of an EBITDA to Interest Expense plus the current portion of long term debt and capital leases, calculated on a rolling four quarter basis, of not less than 1.25 to 1.00 and a Debt to Tangible Net Worth ratio of not greater than 4.00 to 1.00. Without the bank's prior written consent; no dividends, withdrawals, bonuses or advances to shareholders, management or affiliates are permitted, no change in ownership is permitted, no mergers, acquisitions, investments or change in the Borrower's line of business are permitted, guarantees or other contingent liabilities are not to be entered into and assets are not to be further encumbered and the borrower will not grant or permit a Purchase Money Security Interest to any supplier or creditor. At year end, it is management's opinion that the Company was not in compliance with its EBITDA to Interest Expense plus the current portion of long term debt and capital leases requirement at July 31, 2023, and is taking steps to remedy this breach. As described in note 20, this operating line of credit was closed and replaced subsequent to July 31, 2023.

8 Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	2023	2022
Trade accounts payable and accrued liabilities	\$ 1,278,702	\$ 1,146,294
Garry Moore Haulage Inc.	16,128	11,464
Holdbacks payable	17,528	12,552
Government remittances payable	57,768	96,968
Withholdings payable	253,280	131,944
Accrued interest payable	10,925	11,024
	\$ 1,634,331	\$ 1,410,246

Moore Brothers Transport Ltd.**Notes to the Financial Statements****July 31, 2023****9 Obligation under capital leases**

The Company has entered into leases for tractors and trailers that have been capitalized. The leases are secured by the equipment under lease. The minimum lease payments under the lease obligations, which expire at various dates through the fiscal year ended July 31, 2029, are as follows:

2024	\$ 1,386,348
2025	1,045,187
2026	923,569
2027	565,802
2028	379,259
2029	47,391
Total minimum lease payments	4,347,556
Amounts representing interest at 2% to 12%	(521,733)
	3,825,823
Amounts due within one year	(1,175,009)
	\$ 2,650,814

Interest expense for the year includes \$240,028 (2022 - \$162,637) with respect to these obligations.

Moore Brothers Transport Ltd.**Notes to the Financial Statements****July 31, 2023****10 Long-term debt**

	<u>2023</u>	<u>2022</u>
Vehicle loan, secured by Ford F-150 with a carrying value of \$21,029. The loan is repayable in monthly instalments of \$864, bears interest at 3.99% and matures on June 5, 2026.	\$ 28,542	\$ 37,571
Vehicle loan, secured by Chrysler Pacifica with a carrying value of \$26,881. The loan is repayable in monthly instalments of \$1,147, bears interest at 2.99% and matures on February 16, 2026.	34,167	46,699
Vehicle loan, secured by Ford F-150 with a carrying value of \$18,008. The loan is repayable in bi-weekly instalments of \$350.32, bears interest at 1.99% and matures on August 24, 2026.	27,173	35,977
Vehicle loan, secured by Chevrolet Silverado with a carrying value of \$24,706. The loan is repayable in monthly instalments of \$1,050, bears interest at 3.01% and matures on September 24, 2025.	26,402	38,019
Vehicle loan, secured by T800 Sleeper with a carrying value of \$161,860. The loan is repayable in monthly instalments of \$7,551, bears interest at 2.99%, and matures on March 31, 2023.	-	59,740
Vehicle loan, secured by Trailmobile with a carrying value of \$336,514. The loan is repayable in monthly instalments of \$7,805, bears interest at 4.79% and matures on February 7, 2028.	287,271	342,365
Vehicle and engine rebuild loan, secured by the vehicle and all engine parts and accessories with a carrying value of \$34,500. The repayable in monthly instalments of \$1,962, bears interest at 3.63% and matures on October 24, 2026.	72,070	92,590
	475,625	652,961
Amount due within one year	122,001	177,336
	\$ 353,624	\$ 475,625
The balances due over the next five years are as follows:		
Year ending July 31,		
2024	\$ 122,001	
2025	126,928	
2026	114,880	
2027	73,253	
2028	38,563	
	\$ 475,625	

Interest expense for the year includes \$21,987 (2022 - \$17,382) with respect to these obligations.

Moore Brothers Transport Ltd.**Notes to the Financial Statements**

July 31, 2023

11 BDC term loan

	2023	2022
Term loan	\$ 233,375	\$ 313,355
Amount due within one year	82,236	80,356
	\$ 151,139	\$ 232,999

The loan is secured by a general security agreement from the Company along with personal joint and several guarantees of the directors. The loan bears interest at a floating base rate minus a variance of 1.75% per annum, with interest payable monthly. The loan is repayable in monthly instalments of \$6,665 until the maturity date of May 15, 2026. As described in note 20, this loan was paid off in August 2023.

Interest expense for the year includes \$18,582 (2022 - \$9,865) with respect to this obligation.

12 RBC non-revolving term loan

	2023	2022
Term loan	\$ 250,000	-
Amount due within one year	76,856	-
	\$ 173,144	-

The loan is secured by a general security agreement from the Company along with personal joint and several guarantees of the directors. The loan bears interest at a rate of the bank's prime rate of interest + 1.00% per annum, with interest payable monthly. The loan is repayable in monthly instalments of \$7,824 until the maturity date in July 2026.

The balances due over the next three years are as follows:

Year ending July 31,		
	2024	\$ 76,856
	2025	83,161
	2026	89,983
		\$ 250,000

13 Due to directors

The balances due to directors are unsecured, non-interest bearing and will not be repaid within one year as agreed to by all parties.

Moore Brothers Transport Ltd.**Notes to the Financial Statements**

July 31, 2023

14 Share capital

	2023	2022
Authorized		
Unlimited number of Class A preference shares		
Unlimited number of Class B preference shares		
Unlimited number of Class C preference shares		
Unlimited number of common shares		
Issued		
196 Class B preference shares, non-voting, non-cumulative, redeemable at \$112 per share, with paid-up capital of \$0.10 per share	\$ 20	\$ 20
300.7693 Class C preference shares, non-voting, non-cumulative, redeemable at \$650 per share, with paid-up capital of \$0.10 per share	30	30
100 common shares	10	10
	\$ 60	\$ 60

Moore Brothers Transport Ltd.**Notes to the Financial Statements**

July 31, 2023

15 Income taxes

The impact of differences between the Company's reported income tax expense on operating income and the expense that would otherwise result from the application of statutory rates is as follows:

	<u>2023</u>	<u>2022</u>
Net income (loss) before taxes	\$ (172,333)	\$ 624,482
Income tax at the combined tax rate of 26.50% (2022 - 26.50%)	\$ (45,668)	\$ 165,488
Increase (decrease) in income tax expense resulting from:		
Non-deductible expenses	21,242	10,416
Non-deductible life insurance premiums	512	512
Non-taxable income	(228)	(375)
	(24,142)	176,041
Income or expenses claimed in different periods for income tax purposes:		
Financing fees	552	(402)
Amortization in excess of capital cost allowance	97,272	65,921
Carryforward of non-capital losses	192,624	-
Deductible payments on obligations under capital leases	(337,416)	(271,790)
Unrealized loss (gain) on fair market value of marketable securities	(2,154)	202
Charitable donation deductions carried forward for future use	7,544	6,076
	(65,720)	(23,952)
Rate adjustments:		
Small business deduction	35,464	12,733
Income tax underprovision (overprovision)	(225)	32,854
Part IV tax	233	542
Income tax expense (recovered)	\$ (30,248)	\$ 22,177

The Company has non-capital losses in the amount of \$726,885 that are available for carryforward to offset future income taxes. The Company has implemented the taxes payable method, consequently the benefit of these losses has not been recognized in these financial statements. These losses expire if unused after the fiscal year ended July 31, 2043.

The Company has charitable donation credits in the amount of \$51,397 that are available for carryforward to offset future income taxes, the benefit of which has not been recognized in these financial statements. These credits expire if unused through 2028, as follows:

Year ending July 31,	
2027	\$ 22,928
2028	28,469
	\$ 51,397

Moore Brothers Transport Ltd.

Notes to the Financial Statements

July 31, 2023

16 Foreign exchange

For balance sheet purposes, amounts in foreign currencies have been translated into Canadian dollars at the rate of exchange in effect at year-end which is as follows:

July 31, 2023	US \$1.00 = Cdn	\$1.3177
July 31, 2022	US \$1.00 = Cdn	\$1.2824

17 Financial instruments

The Company is exposed to credit risk through its accounts receivable, which are by nature unsecured. The Company has credit management procedures in place to mitigate the risk to any one party and to the aggregate balance.

The Company requires credit checks from its clients in the normal course of operations. It maintains provisions for contingent losses. Concentration of credit risk arises when a group of clients having a similar characteristic such that their obligations are expected to be affected similarly by changes in economic or other conditions. Management does not estimate that they have any significant credit risk with respect to a single client. The Company transfers substantially all of the risk of non-collection of receivables through the purchase of accounts receivable insurance.

The Company is exposed to currency risk through its cash. The Company monitors exchange rates on a daily basis. The Company has not entered into any derivative agreements to mitigate or manage this risk.

Cash is exposed to foreign exchange fluctuations. As at July 31, 2023, cash of \$22,865 (2022 - \$13,609) are the Canadian dollar translation amounts denominated in US dollars.

The Company is subject to interest rate risk to the extent that its interest rates are variable on its credit facility, BDC term loan and RBC non-revolving term loan. The Company has not entered into any derivative agreements to mitigate or manage this risk. The Company is also subject to interest rate risk on the fair value of its fixed rate obligations under capital leases and long-term debt.

The Company is subject to liquidity risk through its debts and obligations. To ensure the Company is able to fund its obligations as they come due, it maintains accessible sources of liquidity. These sources consist of excess cash balances, an amount due from a related party, available financing from directors and shareholders and the undrawn portion of an operating line of credit.

The Company is also subject to liquidity risk through its debt financing which is contingent upon its ability to refinance the indebtedness as it matures. The Company mitigates this risk by ensuring it is secured by high quality assets and maintaining a conservative level of debt suitable to the Company's size in reference to the industry in which it operates.

The Company is subject to other price risk on the fair market value of its marketable securities.

18 Related party transactions

During the year, the Company paid owner operator and fuel expenses to Garry Moore Haulage Inc. in the amount of \$358,290 (2022 - \$307,273). This Company is considered to be a related party since management has the ability to exercise significant influence through its ownership of shares and presence on the board of directors over the same companies. As at July 31, 2023, amounts owing of \$16,128 (2022 - \$11,464) are included in accounts payable. These transactions are in the normal course of operations and are recorded at the exchange amount. The exchange amount is the amount of consideration established and agreed to by the related parties.

Moore Brothers Transport Ltd.**Notes to the Financial Statements****July 31, 2023****19 Lease commitments**

The Company leases office and warehouse space from third parties. The minimum lease payments under the operating leases, which expire on various dates up to April 2027, are as follows:

Year ending July 31,			
	2024	\$	498,159
	2025		517,720
	2026		537,537
	2027		147,261

The Company leases a vehicle under an operating lease. The minimum lease payments under the operating lease, which expires in September 2025, is as follows:

Year ending July 31,			
	2024	\$	15,791
	2025		15,791
	2026		1,316

20 Subsequent events

In October 2023, a director provided an additional \$200,000 loan to the Company.

In August 2023, the Company paid off the BDC loan described in note 11 in full.

Subsequent to year end, the Company closed the operating line of credit facility with Scotiabank described in note 7 and switched over to a new operating line of credit with RBC. The new operating line of credit with RBC is authorized for a limit of \$2,250,000. The line of credit, which is due on demand, bears interest at the bank's prime rate of interest + 1.00% per annum, with interest payable monthly. The loan is secured by a first ranking general security agreement on all assets and guarantees of \$1,000,000 by directors of the Company. The bank with RBC imposes financial covenants of a fixed charge coverage ratio of not less than 1.15 to 1.00 annually and a total liabilities to tangible net worth ratio of not greater than 3.50 to 1.00.

In August 2023, the Company obtained \$331,222 in loan financing bearing interest at 9.56% and payable over 42 months until its maturity in February 2027. This loan has been used in part to pay off the following capital leases and loans, with the new loan provider securitizing the associated assets:

- Three of the capital leases described in note 9 with a combined remaining principal as of July 31, 2023 of \$166,674, of which \$152,180 is classified as current in these financial statements. The combined carrying value of these assets financed under capital leases as at July 31, 2023 is \$478,974.
- The vehicle and engine rebuild loan with an outstanding principal balance as at July 31, 2023 of \$72,070, of which \$21,278 is current, as described in note 10. The carrying value of related asset as at July 31, 2023 is \$34,500.
- The Chevrolet Silverado loan with an outstanding principal balance as at July 31, 2023 of \$26,402, of which \$11,972 is current, as described in note 10. The carrying value of related asset as at July 31, 2023 is \$24,706.

Moore Brothers Transport Ltd.

Notes to the Financial Statements

July 31, 2023

21 Comparative figures

Certain of the prior year's figures have been reclassified to conform to the current year's presentation.

Moore Brothers Transport Ltd.

Profit & Loss

May through October 2024

	Aug 24	Sep 24	Oct 24 (F)	Nov 24 (F)	Dec 24 (F)	Jan 25 (F)	Feb 25 (F)	Mar 25 (F)	Apr 25 (F)	May 25 (F)	Jun 25 (F)	Jul 25 (F)
Ordinary Income/Expense												
Income												
5000 · SALES INCOME	1,158,735.08	936,309.80	1,002,676.62	1,115,896.10	815,416.79	912,449.09	943,721.96	1,101,939.95	1,056,206.96	1,159,709.05	1,215,991.49	1,187,486.50
Total Income	1,158,735.08	936,309.80	1,002,676.62	1,115,896.10	815,416.79	912,449.09	943,721.96	1,101,939.95	1,056,206.96	1,159,709.05	1,215,991.49	1,187,486.50
Cost of Goods Sold												
6001 · PARKING & TRUCK WASH	3,495.00	3,129.28	7,265.50	4,350.00	4,350.00	4,350.00	4,350.00	4,350.00	4,350.00	4,350.00	4,350.00	4,350.00
6002 · OPERATING LEASES	1,315.90	1,315.90	1,315.90	1,315.90	1,315.90	1,315.90	1,315.90	1,315.90	1,315.90	1,315.90	1,315.90	1,315.90
6004 · SUB-CONTRACT CARRIER	14,600.00	4,094.00	315.59	28,000.00	28,000.00	28,000.00	28,000.00	28,000.00	28,000.00	28,000.00	28,000.00	28,000.00
6005 · TOLLS	4,919.37	3,150.23	4,874.31	2,650.00	2,650.00	2,650.00	2,650.00	2,650.00	2,650.00	2,650.00	2,650.00	2,650.00
6010 · RENTALS	48,630.49	47,129.50	33,139.36	28,500.00	18,500.00	18,500.00	12,500.00	12,500.00	12,500.00	17,500.00	22,500.00	27,500.00
6015 · FUEL	136,784.77	117,534.06	127,292.42	141,427.21	104,314.24	116,298.95	120,161.54	139,803.45	134,054.85	146,838.67	153,790.26	150,269.53
6025 · VEHICLE - REPAIRS & MAINTENANCE	45,629.38	38,830.58	37,343.00	59,073.72	53,289.35	63,998.70	59,227.57	60,990.03	53,975.44	60,578.76	76,839.21	49,462.28
6040 · TRIP PERMITS & PAID DUTY	9,945.56	11,574.45	7,749.68	8,100.00	8,100.00	8,100.00	8,100.00	8,100.00	8,100.00	8,100.00	8,100.00	8,100.00
6043 · LICENCES	14,121.34	17,605.76	14,215.16	14,250.00	14,250.00	14,250.00	14,250.00	14,250.00	14,250.00	14,250.00	14,250.00	14,250.00
6100-1 · DIRECT WAGE COSTS	559,234.28	454,168.25	479,813.62	467,104.26	355,295.67	384,128.46	377,816.97	433,574.80	427,417.59	499,995.55	476,645.17	473,253.06
7130 · INSURANCE	39,172.17	31,134.96	33,268.62	33,657.04	31,657.04	31,657.04	31,657.04	31,657.04	31,657.04	31,657.04	31,657.04	31,657.04
7360 · TELEPHONE, RADIO & INTERNET	8,035.01	5,154.91	5,579.38	6,250.00	6,250.00	6,250.00	6,250.00	6,250.00	6,250.00	6,250.00	6,250.00	6,250.00
Total COGS	885,883.27	734,821.88	752,172.54	794,678.13	627,972.20	679,499.05	666,279.02	743,441.22	724,520.83	821,485.91	826,347.57	797,057.82
Gross Profit	272,851.81	201,487.92	250,504.08	321,217.97	187,444.59	232,950.03	277,442.94	358,498.73	331,686.13	338,223.15	389,643.92	390,428.68
Expense												
6100 · PAYROLL EXPENSE	110,065.58	100,658.86	108,112.42	85,545.66	85,545.66	84,177.10	84,177.10	85,545.66	85,545.66	98,732.47	98,732.47	98,732.47
7000 · ADMINISTRATIVE EXPENSES	50,311.93	35,820.77	36,384.88	39,950.00	39,950.00	39,950.00	27,950.00	27,950.00	27,950.00	31,950.00	27,950.00	27,950.00
7140 · INTEREST & BANK CHARGES	46,892.88	44,112.35	44,365.94	45,050.00	43,050.00	43,050.00	43,050.00	43,050.00	43,050.00	43,050.00	43,050.00	43,050.00
7200 · OCCUPANCY COSTS	56,388.39	57,403.21	50,822.89	53,722.29	53,722.29	53,722.29	33,322.29	33,322.29	33,322.29	33,322.29	33,322.29	33,322.29
7400 · OFFICE AND GENERAL EXPENSES	5,789.70	7,568.01	4,806.40	5,350.00	5,350.00	5,350.00	5,350.00	5,350.00	5,350.00	5,350.00	5,350.00	5,350.00
7405 · COMPUTER	18,343.30	14,434.53	11,929.18	13,850.00	12,850.00	13,350.00	13,850.00	13,850.00	13,850.00	13,850.00	13,850.00	13,850.00
7450 · VEHICLES	3,241.68	4,175.53	2,647.98	3,450.00	3,450.00	3,450.00	3,450.00	3,450.00	3,450.00	3,450.00	3,450.00	3,450.00
7475 · Miscellaneous Expense	0.00	1,200.00	150.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7500 · AMORTIZATION	59,062.58	58,855.17	58,651.60	60,100.00	56,100.00	56,100.00	56,100.00	56,100.00	56,100.00	56,100.00	56,100.00	56,100.00
7505 · Bad debt Expense/(Recovery)	0.00	0.00	0.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00
Total Expense	350,096.04	324,228.43	317,871.29	307,517.95	300,517.95	299,649.39	267,749.39	269,117.95	269,117.95	286,304.76	282,304.76	282,304.76
Net Ordinary Income	-77,244.23	-122,740.51	-67,367.21	13,700.02	-113,073.36	-66,699.36	9,693.55	89,380.78	62,568.18	51,918.38	107,339.16	108,123.92
Other Income/Expense												
Other Income												
5950 · (Loss)/Gain on Asset Disposal	0.00	-1,166,744.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7600 · Exchange gain/loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8001 · Miscellaneous Income	17,983.04	15,757.84	14,920.59	37,000.00	37,000.00	37,000.00	37,000.00	37,000.00	37,000.00	37,000.00	37,000.00	37,000.00
Total Other Income	17,983.04	-1,150,987.01	14,920.59	37,000.00	37,000.00	37,000.00	37,000.00	37,000.00	37,000.00	37,000.00	37,000.00	37,000.00
Net Other Income	17,983.04	-1,150,987.01	14,920.59	37,000.00	37,000.00	37,000.00	37,000.00	37,000.00	37,000.00	37,000.00	37,000.00	37,000.00
Net Income	-59,261.19	-1,273,727.52	-52,446.62	50,700.02	-76,073.36	-29,699.36	46,693.55	126,380.78	99,568.18	88,918.38	144,339.16	145,123.92

Appendix D

Moore Brothers Transport Ltd.

Balance Sheet

May through September, 2024

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A1203

	May 31, 24	Jun 30, 24	Jul 31, 24	Aug 31, 24	Sep 30, 24
ASSETS					
Current Assets					
Chequing/Savings					
1001 · TDCanadatrust MAIN - 5229593	100.22	78.22	56.22	8,034.22	2,012.22
1006 · Petty cash	240.00	240.00	240.00	240.00	240.00
1012 · US Exchange - Bank	5,512.78	5,512.78	5,512.78	5,512.78	5,512.78
1013 · RBC CDN - 1029289	8,250.26	-59,026.97	-28,849.47	52,350.01	27,358.91
1014 · RBC US - 4001327	56.57	47.57	38.57	29.57	20.57
1016 · SCOTIA CDN - 0546410	-599,420.90	-624,241.97	-683,952.20	-887,093.74	-917,335.36
1017 · SCOTIA US - 0790915	1,811.34	1,795.39	1,779.44	1,763.49	1,747.54
1019 · SCOTIA CDN - 0690317	6,167.27	4,849.97	65,635.37	87,249.68	7,089.14
1020 · RBC PYRL - 1000157	50.99	44.99	38.99	32.99	26.99
1100 · INVESTMENTS	26,000.18	10,000.18	15,000.18	8,000.18	13,000.18
Total Chequing/Savings	-551,231.29	-660,699.84	-624,500.12	-723,880.82	-860,327.03
Accounts Receivable					
1200 · ACCOUNTS RECEIVABLE	1,792,811.74	1,768,793.74	1,847,646.15	1,711,408.06	1,773,377.24
1201 · Accounts Receivable US\$	1,726.17	1,726.17	0.00	0.00	0.00
Total Accounts Receivable	1,794,537.91	1,770,519.91	1,847,646.15	1,711,408.06	1,773,377.24
Other Current Assets					
1120 · Allowance for doubtful accounts	-25,000.00	-2,040.00	-2,040.00	-2,040.00	-2,040.00
1240 · Due from 2352518 Ontario Inc.	369,605.40	369,605.40	369,605.40	384,605.40	384,605.40
1250 · RECOVERABLE EXP - OWNER OP	-5,415.54	-2,054.08	2,146.88	-5,615.90	-3,638.44
1280 · EMPLOYEE ADVANCES	-1,444.75	-961.31	-1,161.31	-685.16	-1,035.16
1300 · PREPAID EXPENSES	277,389.13	321,719.24	264,777.46	315,208.66	325,878.66
1400 · Inventory - Shop	277,921.27	277,921.27	277,921.27	277,921.27	277,921.27
1405 · Deferred Expense	116.58	116.58	116.58	116.58	116.58
Total Other Current Assets	893,172.09	964,307.10	911,366.28	969,510.85	981,808.31
Total Current Assets	2,136,478.71	2,074,127.17	2,134,512.31	1,957,038.09	1,894,858.52
Fixed Assets					
1500 · FIXED ASSETS	7,873,585.73	7,172,226.96	7,067,661.39	4,741,853.96	4,682,998.79
Total Fixed Assets	7,873,585.73	7,172,226.96	7,067,661.39	4,741,853.96	4,682,998.79

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Moore Brothers Transport Ltd.

Balance Sheet

May through September, 2024

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A1204

	May 31, 24	Jun 30, 24	Jul 31, 24	Aug 31, 24	Sep 30, 24
Other Assets					
1210 · Security Deposit	105,483.85	93,483.85	93,483.85	93,483.85	93,483.85
1212 · Note Receivable - CBM	0.00	0.00	0.00	1,100,000.00	1,100,000.00
Total Other Assets	105,483.85	93,483.85	93,483.85	1,193,483.85	1,193,483.85
TOTAL ASSETS	10,115,548.29	9,339,837.98	9,295,657.55	7,892,375.90	7,771,341.16
LIABILITIES & EQUITY					
Liabilities					
Current Liabilities					
Accounts Payable					
2210 · ACCOUNTS PAYABLE	689,820.67	846,571.50	831,067.96	695,129.87	740,902.45
Total Accounts Payable	689,820.67	846,571.50	831,067.96	695,129.87	740,902.45
Credit Cards					
2122B · TD Business Visa 0250-SUE	7,234.55	8,193.80	7,543.65	638.87	3,387.11
2123 · TD Business Visa 3764-RON	6,763.65	7,161.41	6,137.00	-812.88	6,876.84
2124B · American Express 71001-SUE	11,594.48	4,794.67	2,799.91	4,793.13	4,569.70
2128A · RBC VISA #7902 - SUE	148,567.93	160,026.01	167,719.62	173,869.53	170,520.45
2128B · RBC VISA #8595 - RON	68,932.68	76,474.70	71,878.82	71,605.96	72,877.04
2128C · RBC VISA #9403 - TODD	7,607.43	8,813.86	7,979.23	11,114.91	9,846.57
2128D · RBC VISA #9346 - PAUL	25,863.31	24,185.95	22,715.10	21,082.03	23,987.44
2128E · RBC VISA # 8629 - EMILY	11,443.50	12,893.30	13,345.65	13,859.67	13,600.66
2128F · RBC VISA # 7753 - CONNOR	9,106.25	10,519.81	9,491.52	9,542.01	9,663.12
2128G · RBC VISA #8264 - KARLYNN	9,746.26	11,740.95	9,277.68	9,795.48	9,414.17
2128H · RBC VISA #8298 - KAYLEIGH	5,255.19	5,096.22	4,981.80	4,823.84	4,654.78
Total Credit Cards	312,115.23	329,900.68	323,869.98	320,312.55	329,397.88
Other Current Liabilities					
2010A · RBC/SCOTIA - Line of Credit	2,127,000.00	2,117,000.00	2,137,000.00	2,247,000.00	2,247,000.00
2100 · Payroll Liabilities	86,317.22	25,820.43	24,105.12	125,433.03	146,707.91
2101 · Garnishee Payable	702.75	0.00	0.00	0.00	0.00
2103 · RRSP Contributions Payable	2,975.00	2,450.00	2,500.00	3,025.00	2,450.00
2140 · Vacation Pay Accrued	87,429.14	85,897.49	68,848.31	66,579.42	63,229.14
2160 · Accrued Liabilities	305,506.67	346,899.14	410,228.72	363,550.01	379,649.91

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Moore Brothers Transport Ltd.

Balance Sheet

May through September, 2024

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A1205

	<u>May 31, 24</u>	<u>Jun 30, 24</u>	<u>Jul 31, 24</u>	<u>Aug 31, 24</u>	<u>Sep 30, 24</u>
2300 · HST payable	-4,514.85	-8,990.93	-1,093.11	-820.51	-243.84
2400 · Corporate income tax payable	-30,023.00	-30,023.00	0.00	0.00	0.00
Total Other Current Liabilities	<u>2,575,392.93</u>	<u>2,539,053.13</u>	<u>2,641,589.04</u>	<u>2,804,766.95</u>	<u>2,838,793.12</u>
Total Current Liabilities	3,577,328.83	3,715,525.31	3,796,526.98	3,820,209.37	3,909,093.45
Long Term Liabilities					
2900 · CAPITAL LEASES	4,072,236.13	3,732,842.39	3,644,381.69	3,485,438.88	3,386,819.23
2999-5 · RBC Loan - 5	185,795.87	179,300.51	172,564.42	166,049.23	159,232.73
Total Long Term Liabilities	<u>4,258,032.00</u>	<u>3,912,142.90</u>	<u>3,816,946.11</u>	<u>3,651,488.11</u>	<u>3,546,051.96</u>
Total Liabilities	7,835,360.83	7,627,668.21	7,613,473.09	7,471,697.48	7,455,145.41
Equity					
4000 · CAPITAL STOCK	59.68	59.68	59.68	59.68	59.68
4030 · DUE TO SHAREHOLDER	302,155.00	306,500.00	306,500.00	271,000.00	273,500.00
4050 · RETAINED EARNINGS	3,578,108.98	3,578,108.98	3,578,108.98	1,375,624.78	1,375,624.78
Net Income	-1,600,136.20	-2,172,498.89	-2,202,484.20	-1,226,006.04	-1,332,988.71
Total Equity	<u>2,280,187.46</u>	<u>1,712,169.77</u>	<u>1,682,184.46</u>	<u>420,678.42</u>	<u>316,195.75</u>
TOTAL LIABILITIES & EQUITY	<u><u>10,115,548.29</u></u>	<u><u>9,339,837.98</u></u>	<u><u>9,295,657.55</u></u>	<u><u>7,892,375.90</u></u>	<u><u>7,771,341.16</u></u>

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Appendix E

by 1000 06/02/2024

UNIT #	YEAR	MAKE/MODEL	TYPE OF UNIT	Current Value of Equipment	Annual Amortization	NBV@July 31 2024	Appraisal
107	2005	Peterbilt Tractor	Heavy Commercial Tractor	\$2,000.00	\$0.00	\$28,400.00	\$ 1,000.00
108	2006	Peterbilt Tractor	Heavy Commercial Tractor	\$5,000.00	\$6,289.74	\$33,220.00	\$ 1,000.00
130	2014	Mack Tractor	Heavy Commercial Tractor	\$70,000.00	\$5,671.31	\$46,594.00	\$ 22,002.00
133	2015	Kenworth Tractor	Heavy Commercial Tractor	\$70,000.00	\$10,375.60	\$50,075.00	\$ 22,000.00
140	2006	W900 Kenworth	Heavy Commercial Tractor	\$20,000.00	\$0.00	\$3,000.00	\$ 6,000.00
141	2007	Mack Tractor	Heavy Commercial Tractor	\$20,000.00	\$0.00	\$5,900.00	\$ 5,000.00
143	2019	Mack Tractor	Heavy Commercial Tractor	\$90,000.00	\$17,173.60	\$53,015.00	\$ 25,000.00
144	2019	Mack Tractor	Heavy Commercial Tractor	\$90,000.00	\$17,173.60	\$55,101.00	\$ 25,000.00
147	2015	Mack Tractor	Heavy Commercial Tractor	\$65,000.00	\$9,999.31	\$28,742.00	\$ 24,000.00
148	2015	Mack Tractor	Heavy Commercial Tractor	\$65,000.00	\$9,999.31	\$25,500.00	\$ 24,000.00
149	2015	Mack Tractor	Heavy Commercial Tractor	\$65,000.00	\$9,999.31	\$38,058.00	\$ 24,000.00
151	2015	Mack Tractor	Heavy Commercial Tractor	\$65,000.00	\$10,000.60	\$25,219.00	\$ 24,000.00
152	2015	Mack Tractor	Heavy Commercial Tractor	\$65,000.00	\$10,000.60	\$37,995.00	\$ 24,000.00
153	2015	Mack Tractor	Heavy Commercial Tractor	\$65,000.00	\$10,000.60	\$29,027.00	\$ 24,000.00
200	2017	Freightliner Tractor	Heavy Commercial Tractor	\$160,000.00	\$17,555.40	\$32,826.00	\$ 22,000.00
203	2019	Kenworth Tractor	Heavy Commercial Tractor	\$180,000.00	\$20,692.05	\$74,835.00	\$ 25,000.00
87	2001	Volvo Tractor	Heavy Commercial Tractor	\$5,000.00	\$1,600.00	\$7,523.00	\$ 1,000.00

Trailers

D301	2017	Cross Country 53' Trailer	Trailer	\$50,000.00	\$5,038.86	\$13,336.00	\$ 20,000.00
D302	2017	Cross Tri-Axle Trailer	Trailer	\$50,000.00	\$5,038.86	\$12,766.00	\$ 20,000.00
E404	2008	Manac 134 Trailer	Trailer	\$80,000.00	\$0.00	\$5,200.00	\$ 25,000.00
E405	2009	Manac 134 Trailer	Trailer	\$80,000.00	\$0.00	\$6,200.00	\$ 25,000.00
E406	2009	Manac 134 Trailer	Trailer	\$80,000.00	\$4,133.33	\$6,239.00	\$ 25,000.00
E407	2012	Manac 134 Trailer	Trailer	\$90,000.00	\$3,359.18	\$12,351.00	\$ 30,000.00
E408	2012	Manac 134 Trailer	Trailer	\$90,000.00	\$7,564.56	\$28,252.00	\$ 30,000.00
E409	2014	Manac 134 Trailer	Trailer	\$110,000.00	\$5,700.41	\$36,525.00	\$ 35,000.00
E410	2014	Manac 134 Trailer	Trailer	\$110,000.00	\$5,700.41	\$37,779.00	\$ 35,000.00
E417	2013	Manac 124 Trailer	Trailer	\$25,000.00	\$2,880.00	\$12,975.00	\$ 35,000.00
F220	2000	Chap TT	Trailer	\$8,000.00	\$648.00	\$2,274.00	\$ 10,000.00
F224	1994	Manac 102	Trailer	\$6,000.00	\$0.00	\$450.00	\$ 5,000.00
F245	1978	Manac PF	Trailer	\$6,000.00	\$0.00	\$1,000.00	\$ 1,000.00
F406	2005	Thru P48	Trailer	\$10,000.00	\$0.00	\$1,550.00	\$ 3,000.00

UNIT #	YEAR	MAKE/MODEL	TYPE OF UNIT	Current Value of Equipment	Annual Amortization	NBV@July 31 2024	Appraisal
F408	2006	Thru P48	Trailer	\$10,000.00	\$0.00	\$1,550.00	\$ 3,000.00
F409	2005	Thru P48	Trailer	\$10,000.00	\$0.00	\$1,550.00	\$ 3,000.00
F410	2006	Thru P48	Trailer	\$10,000.00	\$0.00	\$1,550.00	\$ 3,000.00
F412	2006	Thru P48	Trailer	\$10,000.00	\$0.00	\$1,550.00	\$ 3,000.00
F414	2006	Thru P48	Trailer	\$10,000.00	\$0.00	\$1,550.00	\$ 3,000.00
F418	2005	Thru P45	Trailer	\$8,000.00	\$0.00	\$1,253.00	\$ 3,000.00
F441	2003	Dura	Trailer	\$8,000.00	\$2,667.00	\$17,603.00	\$ 3,000.00
F458	2009	STRI PF	Trailer	\$60,000.00	\$0.00	\$7,000.00	\$ 5,000.00
F459	2006	Mana 104	Trailer	\$60,000.00	\$1,248.00	\$15,005.00	\$ 4,000.00
F460	2009	Mana	Trailer	\$75,000.00	\$12,400.00	\$49,444.00	\$ 5,000.00
F461	2009	Mana	Trailer	\$75,000.00	\$12,400.00	\$20,392.00	\$ 5,000.00
F462	2009	Mana	Trailer	\$75,000.00	\$3,313.20	\$40,003.00	\$ 5,000.00
F463	2013	Mana 104	Trailer	\$75,000.00	\$0.00	\$9,450.00	\$ 15,000.00
F464	2013	Mana 104	Trailer	\$75,000.00	\$0.00	\$9,450.00	\$ 15,000.00
F465	2013	Mana 104	Trailer	\$75,000.00	\$0.00	\$9,450.00	\$ 15,000.00
F466	2013	Mana 104	Trailer	\$75,000.00	\$3,780.00	\$13,100.00	\$ 15,000.00
F467	2013	Mana 104	Trailer	\$75,000.00	\$3,780.00	\$10,420.00	\$ 15,000.00
F468	2013	Mana 104	Trailer	\$75,000.00	\$3,780.00	\$16,956.00	\$ 15,000.00
F469	2013	Mana 104	Trailer	\$75,000.00	\$0.00	\$9,450.00	\$ 15,000.00
F470	2013	Mana 104	Trailer	\$75,000.00	\$0.00	\$9,450.00	\$ 15,000.00
F471	2013	Mana 104	Trailer	\$75,000.00	\$0.00	\$9,450.00	\$ 15,000.00
F472	2013	Mana 104	Trailer	\$75,000.00	\$0.00	\$9,450.00	\$ 15,000.00
F473	2014	Mana 104	Trailer	\$80,000.00	\$4,604.00	\$33,012.00	\$ 15,000.00
F474	2014	Mana 104	Trailer	\$80,000.00	\$0.00	\$13,031.00	\$ 15,000.00
F475	2014	Mana 104	Trailer	\$80,000.00	\$5,212.41	\$24,510.00	\$ 15,000.00
F476	2014	Mana 104	Trailer	\$80,000.00	\$0.00	\$13,031.00	\$ 15,000.00
F477	2014	Mana 104	Trailer	\$80,000.00	\$0.00	\$13,031.00	\$ 15,000.00
F478	2014	Mana 104	Trailer	\$80,000.00	\$0.00	\$13,031.00	\$ 15,000.00
F479	2014	Mana 104	Trailer	\$80,000.00	\$5,212.41	\$19,725.00	\$ 15,000.00
F480	2014	Mana 104	Trailer	\$80,000.00	\$0.00	\$13,031.00	\$ 15,000.00
F481	2016	Alut FLA	Trailer	\$85,000.00	\$6,200.00	\$28,938.00	\$ 32,000.00
F482	2016	ALU FLA	Trailer	\$85,000.00	\$6,200.00	\$37,567.00	\$ 32,000.00

UNIT #	YEAR	MAKE/MODEL	TYPE OF UNIT	Current Value of Equipment	Annual Amortization	NBV@July 31 2024	Appraisal
F483	2016	ALU FLA	Trailer	\$85,000.00	\$6,200.00	\$36,323.00	\$ 32,000.00
F484	2016	ALU FLA	Trailer	\$85,000.00	\$6,200.00	\$25,097.00	\$ 32,000.00
F485	2016	ALU FLA	Trailer	\$85,000.00	\$6,200.00	\$25,097.00	\$ 32,000.00
F486	2018	TEMI FC	Trailer	\$80,000.00	\$4,889.27	\$38,090.00	\$ 32,000.00
F487	2018	TEMI FC	Trailer	\$80,000.00	\$4,889.27	\$38,090.00	\$ 32,000.00
F488	2018	TEMI FC	Trailer	\$80,000.00	\$4,889.27	\$38,090.00	\$ 32,000.00
F489	2018	TEMI FC	Trailer	\$80,000.00	\$4,889.27	\$38,090.00	\$ 32,000.00
F490	2018	TEMI FC	Trailer	\$80,000.00	\$4,889.27	\$38,090.00	\$ 32,000.00
F491	2018	TEMI FC	Trailer	\$80,000.00	\$4,889.27	\$38,090.00	\$ 32,000.00
F492	2020	TEMI FC	Trailer	\$90,000.00	\$5,200.00	\$40,852.00	\$ 32,000.00
F493	2020	TEMI FC	Trailer	\$90,000.00	\$5,200.00	\$40,852.00	\$ 32,000.00
F494	2020	TEMI FC	Trailer	\$90,000.00	\$5,200.00	\$48,193.00	\$ 32,000.00
F495	2020	TEMI FC	Trailer	\$90,000.00	\$5,200.00	\$40,852.00	\$ 32,000.00
F496	2020	TEMI FC	Trailer	\$90,000.00	\$5,200.00	\$40,852.00	\$ 32,000.00
F497	2020	TEMI FC	Trailer	\$90,000.00	\$5,200.00	\$40,852.00	\$ 32,000.00
F4104	2014	MANAC 104	Trailer	\$80,000.00	\$3,200.00	\$15,980.00	\$ 20,000.00
F502	2005	THRU P48	Trailer	\$15,000.00	\$0.00	\$1,600.00	\$ 3,000.00
F503	1997	THRU P48	Trailer	\$10,000.00	\$0.00	\$2,300.00	\$ 2,500.00
F510	2005	THRU P48	Trailer	\$150,000.00	\$0.00	\$3,434.00	\$ 3,000.00
F511	2005	THRU P48	Trailer	\$150,000.00	\$3,433.00	\$9,154.00	\$ 3,000.00
F512	2005	THRU P48	Trailer	\$15,000.00	\$0.00	\$3,433.00	\$ 3,000.00
F515	2006	THRU P48	Trailer	\$18,000.00	\$0.00	\$9,528.00	\$ 3,000.00
F516	2006	THRU P48	Trailer	\$18,000.00	\$3,811.00	\$12,800.00	\$ 3,000.00
F517	2006	MANA 105	Trailer	\$18,000.00	\$0.00	\$9,528.00	\$ 3,000.00
F520	2000	TITAN TRA	Trailer	\$8,000.00	\$0.00	\$700.00	\$ 3,000.00
F521	2006	THRU P48	Trailer	\$15,000.00	\$0.00	\$1,435.00	\$ 3,000.00
F522	1998	THRU P48	Trailer	\$8,000.00	\$1,716.00	\$4,616.00	\$ 3,000.00
F549	2005	THRU P48	Trailer	\$8,000.00	\$0.00	\$3,400.00	\$ 3,000.00
F550	2006	MANA 105	Trailer	\$15,000.00	\$0.00	\$9,152.00	\$ 3,000.00
F564	2017	CRSS	Trailer	\$90,000.00	\$5,400.00	\$29,729.00	\$ 25,000.00
F565	2017	CRSS	Trailer	\$90,000.00	\$5,400.00	\$33,157.00	\$ 25,000.00
F566	2017	CRSS	Trailer	\$90,000.00	\$5,400.00	\$22,717.00	\$ 25,000.00

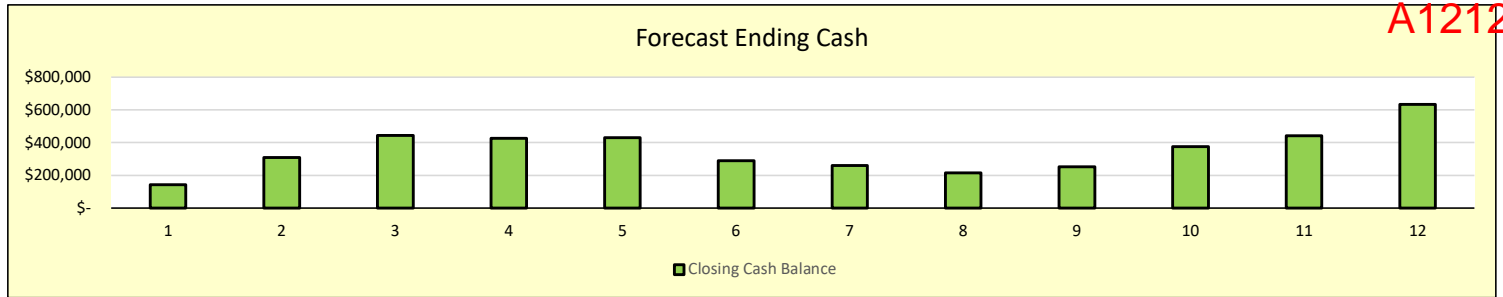
UNIT #	YEAR	MAKE/MODEL	TYPE OF UNIT	Current Value of Equipment	Annual Amortization	NBV@July 31 2024	Appraisal
F567	2017	CRSS	Trailer	\$90,000.00	\$5,400.00	\$32,447.00	\$ 25,000.00
F568	2001	CRSS	Trailer	\$90,000.00	\$5,400.00	\$49,844.00	\$ 25,000.00
F570	2001	MANA 105	Trailer	\$8,000.00	\$2,400.00	\$11,568.00	\$ 3,000.00
F571	2005	THRU P48	Trailer	\$15,000.00	\$0.00	\$1,815.00	\$ 3,000.00
F572	2005	THRU P48	Trailer	\$15,000.00	\$2,420.00	\$11,065.00	\$ 3,000.00
F573	2003	THRU P48	Trailer	\$8,000.00	\$2,420.00	\$11,275.00	\$ 3,000.00
F578	2001	MANA 105	Trailer	\$8,000.00	\$0.00	\$670.00	\$ 3,000.00
F583	2004	THRU P48	Trailer	\$8,000.00	\$0.00	\$1,815.00	\$ 3,000.00
F584	2004	THRU P48	Trailer	\$8,000.00	\$1,240.00	\$3,660.00	\$ 3,000.00
F585	1999	THRU P48	Trailer	\$8,000.00	\$2,420.00	\$8,458.00	\$ 3,000.00
F594	2000	THRU P48	Trailer	\$8,000.00	\$648.00	\$2,274.00	\$ 3,000.00
F596	2000	THRU P48	Trailer	\$8,000.00	\$648.00	\$2,274.00	\$ 3,000.00
F597	2006	THRU P48	Trailer	\$20,000.00	\$2,560.00	\$14,087.00	\$ 3,000.00
F598	2006	THRU P48	Trailer	\$20,000.00	\$2,560.00	\$11,667.00	\$ 3,000.00
F599	2006	THRU P49	Trailer	\$20,000.00	\$2,560.00	\$12,947.00	\$ 3,000.00
FL201	2005	FONT WDM	Trailer	\$30,000.00	\$3,440.00	\$12,363.00	\$ 5,000.00
FL202	2020	FLOAT	Trailer	\$80,000.00	\$6,460.00	\$72,609.00	\$ 45,000.00
421	2016	GMC Savana Cargo Van	Light Commercial Vehicle	\$20,000.00	\$1,221.74	\$3,442.00	\$ 1,000.00
423	2021	Ford Cargo Van	Light Commercial Vehicle	\$30,000.00	\$9,038.93	\$25,460.00	\$ 10,000.00
422	2016	Ford F150	Light Commercial Vehicle	\$18,000.00	\$2,450.00	\$6,902.00	\$ 2,000.00
420	2020	Ford F150		\$50,000.00	\$1,426.97	\$4,020.00	\$ 1,000.00

\$5,401,000.00 \$2,266,745.00 \$ 1,743,502.00

Less Promissory Note -\$1,100,000.00

Net \$1,166,745.00

Appendix F



		1st Mth Ending 11/01/2024	2nd Mth Ending 12/01/2024	3rd Mth Ending 01/01/2025	4th Mth Ending 02/01/2025	5th Mth Ending 03/01/2025	6th Mth Ending 04/01/2025	7th Mth Ending 05/01/2025	8th Mth Ending 06/01/2025	9th Mth Ending 07/01/2025	10th Mth Ending 08/01/2025	11th Mth Ending 09/01/2025	12th Mth Ending 10/01/2025
REVENUES													
Beginning Cash Balance		\$ 35,505	\$ 143,470	\$ 309,024	\$ 444,022	\$ 427,392	\$ 429,925	\$ 289,963	\$ 260,208	\$ 214,284	\$ 251,772	\$ 375,404	\$ 441,044
Projected Sales (A/R)		\$ 1,245,089	\$ 1,295,945	\$ 1,238,263	\$ 967,563	\$ 1,013,880	\$ 1,052,560	\$ 1,228,730	\$ 1,177,440	\$ 1,293,400	\$ 1,354,725	\$ 1,323,505	\$ 1,237,325
Cash Inflows		\$ 1,245,089	\$ 1,295,945	\$ 1,238,263	\$ 967,563	\$ 1,013,880	\$ 1,052,560	\$ 1,228,730	\$ 1,177,440	\$ 1,293,400	\$ 1,354,725	\$ 1,323,505	\$ 1,237,325
EXPENSES													
	Amount												
Payroll - Company Net	\$188,600	\$ 177,600	\$ 177,600	\$ 177,600	\$ 177,600	\$ 177,600	\$ 177,600	\$ 201,750	\$ 201,750	\$ 201,750	\$ 201,750	\$ 201,750	\$ 201,750
Owner Operator & Agency	\$172,400	\$ 186,400	\$ 186,400	\$ 186,400	\$ 176,400	\$ 176,400	\$ 176,400	\$ 176,400	\$ 176,400	\$ 176,400	\$ 176,400	\$ 176,400	\$ 176,400
Taxes (Source Ded, HST, etc)	\$153,725	\$ 139,400	\$ 139,400	\$ 139,400	\$ 147,900	\$ 147,900	\$ 147,900	\$ 158,750	\$ 158,750	\$ 158,750	\$ 158,750	\$ 158,750	\$ 158,750
Utilities and Pyrl Burden	\$33,600	\$ 31,259	\$ 31,259	\$ 31,259	\$ 31,259	\$ 31,259	\$ 31,259	\$ 33,191	\$ 33,191	\$ 33,191	\$ 33,191	\$ 33,191	\$ 33,191
Equipment Leases	\$57,940	\$ 151,098	\$ 154,827	\$ 100,964	\$ 44,250	\$ 30,923	\$ 69,487	\$ 63,475	\$ 60,855	\$ 60,855	\$ 64,584	\$ 60,855	\$ 60,855
Insurance & Benefits	\$40,110	\$ 36,659	\$ 36,659	\$ 36,659	\$ 33,659	\$ 33,659	\$ 33,659	\$ 33,659	\$ 33,659	\$ 33,659	\$ 33,659	\$ 33,659	\$ 33,659
Fuel	\$167,400	\$ 183,400	\$ 183,400	\$ 183,400	\$ 183,400	\$ 183,400	\$ 183,400	\$ 183,400	\$ 183,400	\$ 183,400	\$ 183,400	\$ 183,400	\$ 183,400
Office & Admin	\$37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500
Occupancy - Rent	\$54,774	\$ 54,774	\$ 54,774	\$ 54,774	\$ 31,709	\$ 31,709	\$ 31,709	\$ 31,709	\$ 31,709	\$ 31,709	\$ 31,709	\$ 31,709	\$ 31,709
Licenses	\$33,500			\$ 33,500		\$ 33,500		\$ 33,500		\$ 33,500		\$ 33,500	
RBC LOC Interest Payment	\$14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400
A/P - Operating Expenses		\$ 124,634	\$ 114,172	\$ 107,409	\$ 106,116	\$ 113,096	\$ 109,208	\$ 110,750	\$ 111,750	\$ 110,797	\$ 115,750	\$ 112,750	\$ 112,750
Total Expenses		\$ 1,137,124	\$ 1,130,391	\$ 1,103,265	\$ 984,193	\$ 1,011,347	\$ 1,012,523	\$ 1,078,484	\$ 1,043,364	\$ 1,075,911	\$ 1,051,094	\$ 1,077,864	\$ 1,044,364
Net Cash End of Month		\$ 143,470	\$ 309,024	\$ 444,022	\$ 427,392	\$ 429,925	\$ 469,963	\$ 440,208	\$ 394,284	\$ 431,772	\$ 555,404	\$ 621,044	\$ 634,005
Repayment Source Deductions							\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	
Closing Cash Balance		\$ 143,470	\$ 309,024	\$ 444,022	\$ 427,392	\$ 429,925	\$ 289,963	\$ 260,208	\$ 214,284	\$ 251,772	\$ 375,404	\$ 441,044	\$ 634,005

Appendix G

Schedule "F"

BORROWING LIMIT CERTIFICATE

I, Paul Guentner, representing the Borrower hereby certify as of ~~year~~ period ending Oct/24:

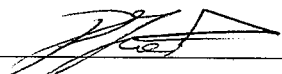
1. I am familiar with and have examined the provisions of the Agreement dated May 29, 2023 and any amendments thereto, between Moore Brothers Transport Ltd., as Borrower, and Royal Bank of Canada, as the Bank and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrower. Terms defined in the Agreement have the same meanings where used in this certificate.

2. The Borrowing Limit is \$ 205,000, calculated as follows:

Total accounts receivable owing by Persons located in Canada			\$ <u>2,109K</u>
Less:	a)	The portion of such accounts which exceeds 90 days	\$ <u>5K</u>
	b)	Accounts due from affiliates	\$ _____
	c)	Accounts where collection is suspect	\$ _____
	d)	Accounts subject to prior encumbrances	\$ _____
	e)	Holdbacks, contra-accounts or rights of set-off	\$ _____
	f)	Accounts included elsewhere in the Borrowing Limit calculation	\$ _____
	g)	Other ineligible accounts	\$ _____
Good Accounts Receivable			A \$ <u>2,103K</u>
Marginable Good Accounts Receivable at 75% of A			B \$ <u>1,577K</u>
Total Private Insured Accounts Receivable			\$ <u> </u>
Less:	a)	The portion of such accounts which exceeds 90 days	\$ _____
	b)	Accounts due from affiliates	\$ _____
	c)	Accounts where collection is suspect	\$ _____
	d)	Accounts subject to prior encumbrances	\$ _____
	e)	Holdbacks, contra-accounts or rights of set-off	\$ _____
	f)	Other ineligible accounts	\$ _____
Good Private Insured Accounts Receivable			C \$ _____
Marginable Good Private Insured Accounts Receivable at 90% of C			D \$ <u> </u>
Less:		Potential Prior-Ranking Claims while not limited to these include:	
Sales tax, Excise & GST			\$ <u>320K</u>
Employee source deductions such as E.I., CPP, Income Tax			\$ <u>1052K</u>
Workers Compensation Board			\$ _____
Wages, Commissions, Vacation Pay			\$ _____
Unpaid Pension Plan Contributions			\$ _____
Overdue Rent, Property & Business Tax and potential claims from third parties such as subcontractors			\$ _____
Other			\$ _____
Total Potential Prior-Ranking Claims			E \$ <u>1,372K</u>
Borrowing Limit (B+D-E)			\$ <u>205K</u>
Less:		Facility #1(a) and Facility# 1(b) Borrowings	\$ <u>2,247K</u>
Margin Surplus (Deficit)			\$ <u>(2,042)K</u>

3. The reports (if required as per the Reporting Requirements section of the Agreement) and information provided herewith are accurate and complete in all respects and all amounts certified as Potential Prior-Ranking Claims are current amounts owing and not in arrears.

Dated this 24th day of October, 2024.

Per: 

Name: Paul Guentner

Title: Controller

Appendix H

Moore Brothers Transport Ltd.
A/R Aging Summary (Values in Home Currency)
As of November 12, 2024

124

A1217

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>TOTAL</u>
2061810 ONTARIO INC (DBA PITTSBURGH ST)	0.00	71,768.62	99,214.69	4,742.99	0.00	175,726.30
A S B GREENWORLD LTD	0.00	0.00	0.00	0.00	-1,575.15	-1,575.15
ACIER WIRTH, SOCIETE EN NOM COLLECTIF	0.00	25,255.50	7,288.50	0.00	0.00	32,544.00
ACIERCO KSE INC	0.00	0.00	-779.70	0.00	0.00	-779.70
ADVANCED METAL SHOP LTD.	0.00	0.00	3,305.25	0.00	0.00	3,305.25
AGF - REBAR INC. (DIETRICH DIVISION)	0.00	6,113.30	2,231.75	53,239.95	10,582.45	72,167.45
AGF - REBAR INC. (Kitchener)	0.00	1,892.75	7,571.00	0.00	0.00	9,463.75
AGF REBAR - SCARBOROUGH	0.00	7,571.00	6,667.00	0.00	3,785.50	18,023.50
AGWAY METALS INC	0.00	12,343.80	0.00	0.00	0.00	12,343.80
AKAL STEEL (2005) INC	0.00	1,007.55	4,144.05	6,238.61	0.00	11,390.21
ALGOMA STEEL INC.	0.00	13,821.03	0.00	0.00	0.00	13,821.03
AllSteel Fabrication Inc.	0.00	2,034.00	0.00	0.00	0.00	2,034.00
AMERICAN ALLOY NORTH	0.00	59,841.50	16,936.50	0.00	0.00	76,778.00
ANCHOR CONCRETE PRODUCTS LIMITED	0.00	9,040.00	0.00	0.00	0.00	9,040.00
BRAMALEA STEEL WORKS LTD	0.00	452.00	0.00	0.00	0.00	452.00
BURNCO MANUFACTURING INC	0.00	38,661.26	3,277.00	12,034.50	0.00	53,972.76
C3 ENVIRONMENTAL LTD.	0.00	0.00	3,164.00	0.00	0.00	3,164.00
CACHET HOMES	0.00	1,152.60	0.00	0.00	0.00	1,152.60
CAMBRIDGE LANDSCAPING & CONSTRUCTION LTD	0.00	20,198.75	0.00	0.00	0.00	20,198.75
CANADIAN BUILDERS AND CONTRACTORS SUPPLY	0.00	864.45	0.00	0.00	0.00	864.45
CANADIAN PHOENIX STEEL PRODUCTS	0.00	13,051.50	1,073.50	0.00	0.00	14,125.00
CANADIAN PLATE AND PROFILES INC.	0.00	1,535.62	0.00	0.00	0.00	1,535.62
CANADIAN TIRE CORPORATION	0.00	0.00	0.00	0.00	-0.03	-0.03
CANAM GROUP INC.	0.00	34,443.37	7,593.22	0.00	0.00	42,036.59
CASH SALE	0.00	1,017.00	0.00	0.00	0.00	1,017.00
CASH SALES	0.00	229.65	0.00	0.00	0.00	229.65
CHIVE INC.	0.00	2,874.72	0.00	0.00	0.00	2,874.72
Circelli Steel Ltd.	0.00	5,842.10	0.00	0.00	0.00	5,842.10
CN WORLDWIDE INC	0.00	22,916.42	6,179.11	0.00	0.00	29,095.53
COLLABORATIVE STRUCTURES LIMITED	0.00	14,803.00	0.00	0.00	0.00	14,803.00
CON STEEL LTD	0.00	3,335.72	5,049.84	7,813.59	0.00	16,199.15
CORES LAB STRUCTURES INC.	0.00	16,527.38	0.00	242.95	0.00	16,770.33
CRAWFORD METAL CORPORATION	0.00	19,876.70	0.00	0.00	0.00	19,876.70
ETOBICOKE IRONWORKS	0.00	0.00	5,898.60	12,350.90	0.00	18,249.50
GALLO GROUND SUPPORT	0.00	932.25	0.00	0.00	0.00	932.25
GOTT NATURAL STONE '99 INC.	0.00	3,898.50	12,995.00	0.00	0.00	16,893.50
GREENFIRST FOREST PRODUCTS	0.00	3,118.80	0.00	0.00	0.00	3,118.80
GREENWAY CARRIERS	0.00	0.00	468.48	0.00	0.00	468.48
HCL LOGISTICS	0.00	22,688.40	0.00	0.00	0.00	22,688.40
HOOPER WELDING ENTERPRISES LIMITED	0.00	0.00	0.00	0.00	-600.57	-600.57
IMCO INTERNATIONAL STEEL TRADING INC	0.00	2,056.60	0.00	0.00	0.00	2,056.60
Interfor Sales and Marketing Ltd.	0.00	14,821.74	6,955.59	9,090.27	0.00	30,867.60
INTERPIPE INC.	0.00	26,597.25	1,638.50	0.00	0.00	28,235.75
JD FIELDS CANADA ULC	0.00	0.00	6,542.71	0.00	0.00	6,542.71
JEBSEN & JESSEN METALS GMBH	0.00	27,029.60	5,876.00	0.00	0.00	32,905.60
KAWARTHA FREIGHT SERVICE INC	0.00	0.00	19,000.00	0.00	0.00	19,000.00
KIMCO STEEL SALES LIMITED	0.00	11,752.00	11,752.00	0.00	0.00	23,504.00
KIT STEEL INC.	0.00	3,172.52	0.00	0.00	0.00	3,172.52
LOCK-BLOCK ONTARIO LTD	0.00	10,852.35	19,359.80	0.00	243.75	30,455.90
Logistec Direct	0.00	0.00	0.00	0.00	-25.00	-25.00
LUCAS RICHARD INC	0.00	9,972.25	6,531.40	0.00	0.00	16,503.65
MANSTEEL REBAR LTD	0.00	3,307.50	0.00	0.00	0.00	3,307.50
MAR-CO CLAY PRODUCTS INC	0.00	3,257.23	0.00	0.00	0.00	3,257.23
Maritime World Logistics Inc.	0.00	1,525.50	0.00	0.00	0.00	1,525.50

A485

Moore Brothers Transport Ltd.
A/R Aging Summary (Values in Home Currency)
As of November 12, 2024

125

A1218

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>TOTAL</u>
MATERIAL LOGISTICS MANAGEMENT INC	0.00	7,875.00	0.00	-875.00	0.00	7,000.00
MAX AICHER (NORTH AMERICA) LIMITED	0.00	60,949.01	6,384.54	0.00	0.00	67,333.55
MAXWELL'S LANDSCAPE & MASONRY SUPPLY	0.00	0.00	3,898.50	0.00	0.00	3,898.50
MIRAGE STEEL LIMITED	0.00	46,914.30	31,322.86	9,101.92	0.00	87,339.08
Misc Cust.	0.00	0.00	0.00	0.00	0.00	0.00
Misc Customer	0.00	0.00	0.00	0.00	0.00	0.00
MORTERM LTD	0.00	0.00	565.00	0.00	0.00	565.00
NORTHSTEEL	0.00	0.00	0.00	0.00	-0.02	-0.02
NUCOR-YAMATO STEEL CO.	0.00	0.00	0.00	0.00	0.00	0.00
NUCOR REBAR FABRICATION -	0.00	112,058.86	0.00	0.00	0.00	112,058.86
PCL CONSTRUCTORS CANADA INC	0.00	1,017.00	2,226.10	1,449.23	0.00	4,692.33
PCMF	0.00	0.00	0.00	0.00	0.00	0.00
Peerless Logistics Inc	0.00	0.00	0.00	0.00	685.00	685.00
Ptersen Cabinets & Building Supplies Ltd	0.00	0.00	0.00	0.00	-100.00	-100.00
QUAD STEEL INC	0.00	5,371.77	5,882.98	0.00	0.00	11,254.75
Rankin Construction Inc	0.00	0.00	0.00	0.00	-0.02	-0.02
ROLL FORM	0.00	57,163.88	15,255.00	0.00	0.00	72,418.88
RUSSEL METALS INC	0.00	90,875.73	3,562.89	0.00	0.00	94,438.62
RYDER TRUCK RENTAL CANADA LTD	0.00	10,138.68	14,494.60	0.00	0.00	24,633.28
SIN STRUCTURES INC.	0.00	1,017.00	0.00	135.72	0.00	1,152.72
SKYHAWK GROUP LTD	0.00	6,115.85	3,256.65	0.00	0.00	9,372.50
STEELCON INC	0.00	96,984.81	85,638.08	26,576.00	1,175.20	210,374.09
SUPREME GALVANIZING	0.00	0.00	734.50	0.00	0.00	734.50
T-RAIL PRODUCTS INC.	0.00	6,328.00	0.00	0.00	0.00	6,328.00
Telco Steel Works Ltd.	0.00	0.00	5,768.65	207.06	587.60	6,563.31
THERMO DESIGN INSULATION LTD	0.00	15,029.00	0.00	0.00	0.00	15,029.00
TIW STEEL PLATE	0.00	2,825.00	7,458.00	0.00	0.00	10,283.00
TRANSPORT TRAILER SALES INC	0.00	0.00	0.00	0.00	1,074.20	1,074.20
TRESMAN STEEL INDUSTRIES LTD	0.00	0.00	-0.03	0.00	0.00	-0.03
UNITED TRAILERS -	0.00	0.00	0.00	0.00	1,851.02	1,851.02
VULCRAFT CANADA, INC	0.00	2,625.00	0.00	0.00	0.00	2,625.00
WALTER'S INC	0.00	4,355.31	0.00	0.00	0.00	4,355.31
Wawa Rent-All	0.00	2,994.50	0.00	0.00	0.00	2,994.50
WELDED TUBE OF CANADA CORP	0.00	4,746.00	0.00	0.00	0.00	4,746.00
WESTERN DIMENSIONAL LTD.	0.00	7,684.00	0.00	0.00	0.00	7,684.00
WRC LUMBER SALES INC	0.00	3,369.45	0.00	0.00	0.00	3,369.45
TOTAL	<u>0.00</u>	<u>1,099,891.93</u>	<u>456,382.11</u>	<u>142,348.69</u>	<u>17,683.93</u>	<u>1,716,306.66</u>

A486

Appendix I



5800 Hurontario St., Mississauga, ON

Account number 86500 4691 RP0001
Date issued October 24, 2024

MOORE BROTHERS TRANSPORT LTD
13908 HURONTARIO STREET
CALEDON ON L7C 2B8

Subject: Payroll examination statement of account

We completed the examination of your books and records. Enclosed is your PD83-1, Payroll Examination Statement of Account.

If you have questions or need information about the attached documentation, please call me at **365-324-4268**.

Thank you,

Kerri Losier
Trust Accounts Examination
5800 Hurontario Street
Mississauga
ON
L5R 4B4
365-324-4268



Payroll Examination Statement of Account

Taxpayer's Name MOORE BROTHERS TRANSPORT LTD		Date 2024-10-23	
Taxpayer's Address 13908 HURONTARIO STREET		Collections Section Contact M. SETO	
CALEDON, ON L7C 2B8		Collections Section Telephone (888)770-7690	
Account Number 865004691RP0001		Tax Services Office 1262 Toronto West-Thunder Bay	
An examination of your payroll records performed on 2024-10-23		covering the period(s) From 2023-01-01 to 2024-10-14	
discloses discrepancies in your remittances as follows:			
Details	<u>2024</u> \$	<u>2023</u> \$	<u> </u> \$
Total deductions and taxpayer's obligation	1,032,220.84	1,268,497.13	
Total credits (includes amounts remitted and assessed)	415,228.01	1,268,496.94	
Adjustments	0.00	0.00	
Difference	616,992.83	0.19	
Corrections re EI and/or CPP/Second CPP (see PD86 attached)	0.00	0.00	
Balance	616,992.83	0.19	
Failure to remit penalty	61,699.32	0.00	
Interest	19,016.00	0.00	
Late remitting penalty	0.00	0.00	
Failure to deduct penalty	0.00	0.00	
Late filing penalty	0.00	0.00	
Mandatory electronic filing penalty	0.00	0.00	
Total owing	697,708.15	0.00	
Total arrears disclosed during examination		697,708.15	
Previous arrears		375,713.47	
Adjustment (Previous arrears)		0.00	
Interest to date on previous arrears		0.00	
Sub Total		1,073,421.62	
Less: Current payment		0.00	
Balance due		1,073,421.62	

A notice of assessment will follow shortly. However, the amount owing is due and payable immediately and you are therefore required to provide the examination officer with the appropriate payment. Failure to do so may result in legal proceedings either by way of garnishee or action in the Federal Court which could result in seizure and sale of your assets.

KERRI LOSIER	2024-10-23	Signature for receipt only of this statement
► For Assistant Director, Revenue Collections Division	Date	

Penalties for failure to comply

Every employer or person who deducts or withholds any amount under the *Income Tax Act*, the Canada Pension Plan and the *Employment Insurance Act*, shall be deemed to hold the amount so deducted or withheld in trust for Her Majesty. All amounts so deducted or withheld are trust funds and in the event of any liquidation, assignment, receivership or bankruptcy, the said amounts shall be deemed to be separate and form no part of the estate in liquidation, assignment, receivership or bankruptcy.

An employer or person who fails to deduct or who fails to remit tax that was deducted may be prosecuted and if convicted, will be fined not less than \$1,000 and not exceeding \$25,000, or may be fined and imprisoned for a period not exceeding 12 months. If the employer is a corporation, **any officer, director or agent** of the corporation who participated or acquiesced in the commission of the offence is equally liable with the corporation.

As of 2015 large employers, whose "average monthly withholding amount" (AMWA) is between \$25,000 and \$99,999 (Threshold 1) and those with an "AMWA" of \$100,000 or more (Threshold 2) are required to remit on an accelerated basis. For threshold 1 employers, withholdings from paydays occurring during the first 15 days of the month must be received by the 25th of that month and withholdings from paydays occurring during the remainder of the month must be received by the 10th day of the next month. Threshold 2 employers are required to remit withholdings by the 3rd day (not including a Saturday, a Sunday or a holiday) from the end of defined periods in which the payday(s) occur. The periods are: from the 1st to the 7th, the 8th to the 14th, the 15th to the 21st and the 22nd to the end of the month. Regular employers will continue to remit withholdings by the 15th day of the month following the month in which the amounts were deducted or withheld.

Amounts greater than \$500, that are remitted late or that are deficient (except for **wilful delays or deficiencies**) are subject to penalties under the *Income Tax Act*. The rate is 10% for the first late penalty assessed and 20% on subsequent late penalties assessed for the same calendar year, when the subsequent failure was made knowingly or under circumstances amounting to gross negligence. If it is determined that the payment is **wilfully** late or deficient, the \$500 exemption will not be given. Daily compound interest at the prescribed rate is charged on all outstanding balances, by law.

Liability of Directors

Where a corporation has failed to deduct or withhold an amount or has failed to remit such an amount as required under the *Income Tax Act* (or any other act for which the Minister is administratively responsible), the **Directors** of the corporation at the time the corporation was required to deduct, withhold or remit **may be jointly and severally liable, together with the corporation**, to pay any amount that the corporation is liable to pay in respect of that amount, including any interest or penalties relating thereto.

However, a director who exercises the degree of care, diligence, and skill that a reasonably prudent person would exercise will not be liable. To benefit from this provision, a director should take positive action to ensure the corporation makes the necessary deductions and remittances. For further details regarding the joint and several liability of directors, you may wish to refer to Information Circular 89-2R3, a copy of which may be obtained from your tax services office.

This examination does not constitute a complete audit of the financial records and does not preclude another audit being performed.

Appendix J

TD Demand Letter

Monthly Payment - taxes included \$ 11,744.53
Due on the 3rd of each month

Leased Equipment: 2 Kenworth T800B Trucks

Moore Brothers has never missed a payment on the lease with TD
nor received any relief for payments

Oct 21 TD issued Demand Notice
Solely based on the notice they received from RBC

Oct 31 Moore Brothers surrendered one truck to the Bailiff

The second truck to be returned in 2 weeks time

From: Roland Greber <roland@bailiffsale.com>

132

Sent: Friday, November 1, 2024 3:58 PM

A1225

To: Sue Moore <smoore@moorebrothers.ca>

Cc: Ira Smith <ira@irasmithinc.com>; Connie.Roberts@td.com; Jessie Stuart <jessie@bailiffsale.com>

Subject: TD Lease # 22120550, Moore Brothers Transport Ltd.

You don't often get email from roland@bailiffsale.com. [Learn why this is important](#)

Good afternoon Mrs. Moore and Mr. Ira Smith,

I confirm that Mrs. Moore surrendered the leased 2023 Kenworth T800B VIN: 1XKDD40X7PR953972, lawfully owned by TD Equipment Finance Canada, a division of The Toronto-Dominion Bank, yesterday October 31, 2024.

Further, Mrs. Moore has also advised that the leased 2023 Kenworth T800B VIN 1XKDD40X5PR953971, will be returning in approximately two (2) weeks time. Once the vehicle has returned, Mrs. Moore will also immediately surrender the vehicle to TD Equipment Finance Canada, a division of The Toronto-Dominion Bank.

Thank you,

Roland Greber, CPPA
Assistant Bailiff, Auctioneer

S. Wilson
& CO. BAILIFFS LIMITED

18 Ashwarren Road
North York, Toronto, Ontario
M3J 1Z5

T: 416-633-1416 ext 232

F: 416-633-3422

www.bailiffsale.com

A493

Sue Moore

From: Roland Greber <roland@bailiffsale.com>
Sent: Thursday, November 7, 2024 10:45 AM
To: Sue Moore; Jessie Stuart; Ron Moore
Cc: Ira Smith; Brandon Smith; Jason Wadden; Shimon Sherrington
Subject: RE: TD Lease # 22120550, Moore Brothers Transport Ltd.

Good morning Mrs. Moore,

Thank you for your email.

Yes, I will meet the driver on-site at 6701 Davand Drive, Mississauga, Ontario, on Tuesday morning (please advise what time your driver would like to meet), who will surrender the keys, and we will arrange for them to remove the ELD Tablet left in the other tractor.

I will send an email to all parties and TD confirming the vehicle has been delivered.

Thank you,

Roland Greber, CPPA
Assistant Bailiff, Auctioneer

18 Ashwarren Road
North York, Toronto, Ontario
M3J 1Z5
T: 416-633-1416 ext 232
F: 416-633-3422
www.bailiffsale.com

-----Original Message-----

From: Sue Moore <smoore@moorebrothers.ca>
Sent: November 7, 2024 9:29 AM
To: Roland Greber <roland@bailiffsale.com>; Jessie Stuart <jessie@bailiffsale.com>; Ron Moore <rmoore@moorebrothers.ca>
Cc: Ira Smith <ira@irasmithinc.com>; Brandon Smith <brandon@irasmithinc.com>; Jason Wadden <jwadden@tyrllp.com>; Shimon Sherrington <ssherrington@tyrllp.com>
Subject: TD Lease # 22120550, Moore Brothers Transport Ltd.

Good Morning Everyone!

The unit we discussed will arrive this weekend at some point and we ask to have Monday to empty the truck as the driver had a Long trip and we will bring the unit to the site surrendered as promised on Tuesday morning please let me know the procedure and if you would like to meet us here or at the gate of the facility?

Thank you for your patience and please advise if we can get an acknowledgement from TD soon after we drop the unit

We will also ask to pick up the Isaac tablet from the other unit we accidently left in the unit before dropping off

Susan Moore

A494

NOTICE OF SEIZURE

TO: Moore Brothers Transport Ltd. AND Ron Moore AND Sue Moore

RE: Lease: 22120550

2023 Kenworth T800B VIN: 1XKDD40X5PR953971

2023 Kenworth T800B VIN: 1XKDD40X7PR953972

TAKE NOTICE that a warrant has been issued by the Lessor, **TD Equipment Finance Canada, a division of The Toronto-Dominion Bank**, to **S. WILSON & CO. BAILIFFS LIMITED** (the "Bailiff") for the recovery of the above noted leased vehicles, for lease arrears due.

AND TAKE NOTICE that the leased vehicles being the property of the Lessor may not be driven, towed or moved by any means without the express authorization and permission of the Lessor.

YOU MUST immediately surrender the subject vehicles to S. Wilson & Co. Bailiffs Limited as agent for the owner of the vehicles. Failure of which the lessor will take whatever action they deem appropriate to ensure recovery of their property.

TD Equipment Finance Canada, a division of The Toronto-Dominion Bank
By its authorized Bailiff: S. Wilson & Co. Bailiffs Limited, as Agent.
18 Ashwarren Road, North York, Toronto, Ontario, M3J 1Z5
Telephone: 416-633-1416 ex 232

Assistant Bailiff: Roland Greber

Date: October 31, 2021

Time: 11:55 (am/pm)

E. & O. E.

FILE COPY

ROLAND GREBER, CPPA
ASSISTANT BAILIFF AUCTIONEER

S. Wilson
& CO. BAILIFFS LIMITED
APPOINTED & BONDED

A495

O: 416-633-1416 EXT. 232
C: 416-578-4832
F: 416-633-3422

ROLAND@BAILIFFSALE.COM
WWW.BAILIFFSALE.COM



DEMAND NOTICE

Date October 21st,2024

Account Number: 22120550

By Courier

Moore Brothers Transport Ltd
13908 Hurontario Street
Inglewood, Ontario
L7C 2B8

RE: Lease Agreement between Moore Brothers Transport Ltd ("Debtor", "you") and TD Equipment Finance Canada, a division of The Toronto-Dominion Bank ("Bank", "we") dated December 14, 2022, as may be amended, supplemented, restated or otherwise modified from time to time (the "Agreement").

Dear Sirs:

We refer to the Agreement.

Unless otherwise specified, all capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Agreement.

The Bank has been made aware that certain defaults have occurred under the Agreement as of the date hereof, which defaults constitute the following Events of Default under the Agreement:

- i. Action is taken against the Debtor for the appointment of a receiver contrary to section 23 (e) of the Agreement; and
- ii. Action is taken by an encumbrancer against Debtor to take possession of Debtor's property or enforce proceedings against Debtor's assets contrary to section 23 (g) of the Agreement.

Upon the occurrence of an Event of Default, the Bank is entitled to declare the Agreement to be in default, declare all amounts owing pursuant to the Agreement to be immediately due and payable, terminate the Agreement, take possession of all collateral granted as security pursuant to the Agreement (the "Collateral") and sell or lease the Collateral.

Accordingly, we hereby declare the Agreement to be in default and declare that all amounts owing pursuant to the Agreement are immediately due and payable and hereby demand payment thereof. In particular, we demand payment under the Agreement in the amount, as of October 21st,2024 of \$451,732.99 together with additional unpaid interest, fees and costs and all other amounts payable in connection with the Agreement. Interest will continue to accrue on the outstanding amounts in accordance with the Agreement.

Please be advised that if payment or arrangements satisfactory to the Bank aren't made by **October 30th, 2024**, we will take whatever steps we deem necessary to recover the outstanding obligations of the Debtor including, without limitation, to enforce its security.

Enclosed is a Notice of Intention to Enforce Security addressed to the Debtor and issued pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada). Should you wish to consent to the immediate enforcement by the Bank of its security, please sign the consent and waiver below and return it to the attention of the undersigned at your earliest convenience.

The Bank expressly reserves its rights to proceed with the enforcement of its rights and remedies under the security held by the Bank at any time, without further notice to you, if it becomes aware of any circumstance which might prejudice its position.

Govern yourselves accordingly.

TD Equipment Finance Canada, a division of The Toronto-Dominion Bank

By: Chabert

Address: 5045 South Service Road, 4th Floor Burlington, ON L7L 5Y7
Name: Connie Roberts
Title: Senior Collections Representative

Direct Dial: 905-315-1032
Toll Free: 1 800 263 3216

The undersigned hereby acknowledges receipt of a Notice of Intention to Enforce Security issued by the Bank pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) in respect of the security granted by the Debtor in favour of the Bank and hereby consents to the Bank enforcing its security prior to the expiry of the above-noted period or at any time thereafter. The Debtor hereby waives all cure periods to which it may be entitled under the Agreement.

Moore Brothers Transport Ltd.

By: _____
Name: _____
Title: _____

**NOTICE OF INTENTION TO ENFORCE A SECURITY
(Subsection 244(1) of the *Bankruptcy and Insolvency Act*)**

To: Moors Brothers Transport Ltd. (the "Insolvent Person")
13908 Hurontario Street
Inglewood, Ontario
L7C2B8

Take notice that:

- 1. TD Equipment Finance Canada, a division of The Toronto-Dominion Bank (the "Bank"), a secured creditor, intends to enforce its security on the Insolvent Person's property described as:


Asset Description One (1) 2023 Kenworth T800B Truck, including all attachments and accessories VIN 1XKDD40X5PR953971

One (1) 2023 Kenworth T800B Truck, including all attachments and accessories VIN 1XKDD40X7PR953972

- 2. The security that is to be enforced is in the form of Contract No. **22120550**, made by the Insolvent Person in favor of the Bank (or its predecessors) (the "Agreement").
- 3. The total amount of indebtedness secured by the security is \$451,732.99.
- 4. The Bank will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent, unless the Insolvent Person consents to an earlier enforcement.

EXECUTED this October 21st, 2024

TD Equipment Finance Canada, a division of The Toronto-Dominion Bank

By: 

Name: Connie Roberts

Direct Dial: 905 315 1032

The undersigned hereby consents to The Bank enforcing its security prior to the expiry of the above-noted 10-day period.

Moore Brothers Transport Ltd.

By: _____

Title: _____

By: _____

Title: _____

By: _____

Title: _____

Signatures of Authorized Officers only.



DATE October 21st, 2024

Account# 22120550

Moore Brothers Transport Ltd.
13908 Hurontario Street
Inglewood, Ontario
L7C 2B8

RE: Lease Agreement between Moore Brothers Transport Ltd. (the "Customer") and TD Equipment Finance Canada, a division of The Toronto-Dominion Bank ("The Bank") (the "Agreement")

Whereas as of October 21st, 2024, the total amount of the indebtedness owing by the Customer to The Bank is \$ 451,732.99, plus additional accrued and unpaid interest, fees, costs and expenses. And Whereas the Customer is unable to repay the indebtedness and is in default under the Agreement.

And Whereas the Customer desires to voluntarily surrender and deliver possession of the personal or movable property subject to the Agreement as more particularly described in Schedule "A" attached hereto (the "Collateral").


NOW THEREFORE in consideration of the sum of one dollar and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged:

1. The Customer hereby voluntarily surrenders and delivers possession of the Collateral to The Bank.
2. The Customer agrees to make available the Collateral for possession by The Bank or its agents or nominee.
3. The Customer agrees that the Collateral may be sold by The Bank, in its sole discretion, without prejudice to any other recourse The Bank may have, by private sale to any party or by public auction through an auctioneer of its choice.
4. The Customer consents to the sale and disposition of the Collateral without notice and hereby waives any notice that it may be entitled to under applicable law.
5. The Customer acknowledges that it shall be liable to The Bank for any deficiency remaining after the disposition or sale of the Collateral.
6. The Customer acknowledges and agrees that before executing this voluntary surrender, the Customer was given sufficient time to read the voluntary surrender, ask for explanations and clarifications and consult with advisors. The Customer declares that the within terms and conditions are satisfactory.
7. The Customer hereby absolutely and irrevocably releases, remises, and forever discharges The Bank and its successors and assigns from any and all actions, cases of action, judgments executions, suits, debts, claims, demands, liabilities, obligations, damages and expenses of any and every kind, known or unknown, direct or indirect, at law or in equity, of whatever kind or nature, which may now or in the future exist in any way arising directly or indirectly out of or in any way connected to or relating to the Agreement or the Collateral.

Please sign and return by fax today your acceptance of the arrangement by signing below.
Please fax to N/A, attention: Connie Roberts by email to connie.roberts@td.com.

Yours very truly,

TD Equipment Finance Canada, a division of The Toronto-Dominion Bank



Name: Connie Roberts

Title: Senior Collections Representative

Address: 5045 South Service Road, 4th Floor, Burlington, ON L7L 5Y7

Agreed to and acknowledged as of this _____ day of _____.

CUSTOMER NAME: Moore Brothers Transport Lid.

Name:

Title:

I have authority to bind the Customer

Witness

Date

Guarantor(s):

Name:

Title:

I have authority to bind the Guarantor

Witness

Date

**Schedule "A" -
Collateral**

2023 Kenworth T800B Truck, including all attachments and accessories.

Vin 1XKDD40X5PR953971

2023 Kenworth T800B Truck, including all attachments and accessories.

Vin 1XKDD40X7PR953972

Appendix K

BMO Demand Letter

Monthly Payment - taxes included \$ 17,818.00
Due on the 3rd of each month

Leased Equipment: 2 Kenworth T800B Trucks
8 Dorsey Flatbed Trailers

Timeline

- July 2024 Requested payment relief for the month of July
To be made up in the Fall/Winter months
- Aug 3 Payment on time - however BMO applied to July unbeknownst to us
- Sept 3 Requested payment to be pushed to Sept 24
Applied to August - again unbeknownst to us
This was then over 45 days
- Oct 3 Requested payment to be pushed to Oct 25
Applied to September - again unbeknownst to us
- Oct 18 BMO issued Demand Notice
Predicated by account being over 45 days
but likely in conjunction with receiving the RBC notice
- Oct 24 Confirmed payment arrangement for Oct 25 to clear Sept
- Nov 3 Pushed payment to Nov 8 - within 45 days
BMO sent confirmation that they will not assign our account
for repossession since we have payment arrangements in place

Paul Guentner

From: Ahmadzai, Tahmas <Tahmas.Ahmadzai@bmo.com>
Sent: Friday, November 1, 2024 12:22 PM
To: Paul Guentner
Cc: Sue Moore
Subject: RE: Confirmation

Follow Up Flag: Follow up
Flag Status: Flagged

Hi Paul,

Technically a demand is only cured when the account is fully brought current as per the wording of the letter.

However, please accept this email as confirmation that I will not assign your account for repossession so long as we have satisfactory payment arrangements in place, which we do.

Thanks,
Tahmas

From: Paul Guentner <pguentner@moorebrothers.ca>
Sent: Friday, November 1, 2024 11:41 AM
To: Ahmadzai, Tahmas <Tahmas.Ahmadzai@bmo.com>
Cc: Sue Moore <smoore@moorebrothers.ca>
Subject: Confirmation

External Email: Use caution with links and attachments. | **Courriel externe** : Faites preuve de prudence en ce qui a trait aux liens et aux pièces jointes.

Good morning Tahmas

As per our discussion this morning, please arrange to process our next installment payment on Friday, November 8th.

We will then plan accordingly to catch up on the one relief payment.

With regards to the Demand Notice issued last month, can you please provide us with confirmation that it has now been rescinded (no further action) based on the payment processed. We require something from BMO to forward to our lawyers.

Thank you for your help as always.

Kind Regards,

Paul Guentner, CPA, CMA
Corporate Controller

Moore Brothers Transport Ltd.
13908 Hurontario Street

Paul Guentner

From: Ahmadzai, Tahmas <Tahmas.Ahmadzai@bmo.com>
Sent: Thursday, October 24, 2024 2:51 PM
To: Paul Guentner
Subject: RE: DEMAND NOTICE

Hi Paul,

Confirming one payment scheduled for tomorrow which will clear the September installment.

As per your question below "Or did you apply August payment against the July invoice and so on." – this is exactly how we have applied payments.

Thanks,
Tahmas

From: Paul Guentner <pguentner@moorebrothers.ca>
Sent: Thursday, October 24, 2024 11:48 AM
To: Ahmadzai, Tahmas <Tahmas.Ahmadzai@bmo.com>
Subject: RE: DEMAND NOTICE

Hi Tahmas

I believe we have a payment scheduled for tomorrow which I thought was for October's payment. However, based on your email, I wanted to go back and check the payment dates to ensure we're on the same page.

Please note the dates below as per my understanding. I believe we said the July relief payment could be made over 3 months later in the year.

Please let me know if this coincides with your records. Or did you apply August payment against the July invoice and so on.

Schedule Date	Amount	Payment Date	Comment
Jul 3, 2024	17,818.00		Payment relief - no pay this month
Aug 3, 2024	17,818.00	Aug 6, 2024	Paid on agreed date after holiday
Sep 3, 2024	17,818.00	Sep 24, 2024	Pushed payment for Sep & paid as agreed
Oct 3, 2024	17,818.00	Oct 25, 2024	Pushed payment for Oct as agreed

Kind Regards,

Paul Guentner, CPA, CMA
Corporate Controller

Moore Brothers Transport Ltd.
13908 Hurontario Street

Paul Guentner

From: Ahmadzai, Tahmas <Tahmas.Ahmadzai@bmo.com>
Sent: Friday, October 18, 2024 4:13 PM
To: Paul Guentner
Subject: RE: DEMAND NOTICE

Hi Paul,

We are still open to negotiating a payment arrangement.

Your request for lease modification will not be approved considering the impending application of receivership by RBC.

Please confirm when we can clear the September payment.

A final demand is usually issued on all accounts that are aged ≥ 45 days past due. Your account is at 45 days past due as of today.

Thanks,
Tahmas

From: Paul Guentner <pguentner@moorebrothers.ca>
Sent: Friday, October 18, 2024 4:05 PM
To: Ahmadzai, Tahmas <Tahmas.Ahmadzai@bmo.com>
Subject: RE: DEMAND NOTICE

External Email: Use caution with links and attachments. | **Courriel externe :** Faites preuve de prudence en ce qui a trait aux liens et aux pièces jointes.

Good afternoon Tahmas

This comes as quite an unexpected surprise.

We had an agreement in place regarding the payments and I'd like to know what's changed to issue a Demand Notice.

We were only asking for some relief for the short term. Please help.

Kind Regards,

Paul Guentner, CPA, CMA
Corporate Controller

Moore Brothers Transport Ltd.

13908 Hurontario Street
Inglewood, ON, L7C 2B8
Tel: 905-838-2222 ext 225
Fax: 905-838-4798
Email: pguentner@moorebrothers.ca

From: Ahmadzai, Tahmas <Tahmas.Ahmadzai@bmo.com>
Sent: Friday, October 18, 2024 2:58 PM
To: Paul Guentner <pguentner@moorebrothers.ca>
Cc: Ron Moore <rmoore@moorebrothers.ca>
Subject: DEMAND NOTICE

MOORE BROTHERS TRANSPORT LTD. & MOORE, RONALD ALBERT (PG)

Please find enclosed.

Regards,

Tahmas Ahmadzai | Collections Team Lead

BMO Commercial Bank
5750 Explorer Drive, Mississauga, ON., L4W 0A9

Tahmas.ahmadzai@bmo.com
T 289-305-6095
F 1-888-889-8975

Follow us on [LinkedIn](#)
Visit us at bmotf.com
View our inventory at bmoasset.com

Bank of Montreal
5750 Explorer Dr, 3rd Floor
Mississauga, On L4W 0A9
Telephone: 1-844-943-2886
Fax: 1-888-889-8975

October 18, 2024

By Courier

MOORE, RONALD ALBERT
10 FLAHERTY LANE
CALEDON
ON, L7K 2P3

9111752001

Demand Notice
regarding your guarantee and indemnity
agreement dated June 3, 2020

RE: Lease between MOORE BROTHERS TRANSPORT LTD. (the "Debtor") and Bank of Montreal ("BMO") dated June 3, 2020, as may be amended, supplemented, restated or otherwise modified from time to time (the "Agreement").

Dear MOORE, RONALD ALBERT:

We are writing regarding the above-referenced Agreement.

As of October 10, 2024, the Debtor has failed to pay or is otherwise obligated to BMO in the amount of \$36,304.66 under the Agreement, plus accrued and unpaid interest, fees and costs and any other amount owing by Debtor under the Agreement. Enclosed is a copy of the demand letter sent to the Debtor demanding payment of its obligations to BMO under the Agreement.

Pursuant to a guarantee and indemnity agreement dated June 3, 2020 (the "Guarantee"), you guaranteed the obligations of the Debtor to BMO under the Agreement.

We hereby demand payment from you in the amount of \$36,304.66, plus all accrued and unpaid interest, fees and costs and all other amounts owing by the Debtor under the Agreement, in accordance with the terms of the Guarantee.

Please be advised that if payment in full or arrangements satisfactory to BMO for payment in full are not made immediately, BMO may take such further steps as it deems necessary to recover the obligations demanded under the Guarantee, including, without limitation, commencing legal proceedings against you without further notice.

BMO expressly reserves its rights and remedies with respect to this past due payment and any other defaults or breaches under the lease or loan that shall now exist or hereafter arise, which rights and remedies have at no time been waived.

Sincerely,

TAHMAS AHMADZAI
ACCOUNT RESOLUTION SPECIALIST
Bank of Montreal
Phone: 285-305-6095



Bank of Montreal
5750 Explorer Dr, 2nd Floor
Mississauga, On L4W 0A9
Telephone: 1-844-943-2886
Fax: 1-888-889-8975

October 18, 2024

Demand Notice
regarding your account
beginning in 911175XXXX

MOORE BROTHERS TRANSPORT LTD.
27 FISHERMAN ST
BRAMPTON ON
L6V 4R1

RE: Lease between MOORE BROTHERS TRANSPORT LTD. (the "Debtor") and Bank of Montreal ("BMO") dated June 3, 2020, as amended, supplemented, restated or otherwise modified from time to time (the "Agreement").

Dear MOORE BROTHERS TRANSPORT LTD.:

Reference is hereby made to the Agreement.

As you are aware, payments under the Agreement are due on the 3. The Agreement provides that the failure to make any Monthly payment within 10 days after its due date constitutes a "Default" thereunder. Upon Default, BMO is entitled to declare the Agreement to be in Default, declare all amounts owing pursuant to the Agreement to be immediately due and payable, terminate the Agreement, take possession of all collateral granted as security pursuant to the Agreement (the "Collateral") and sell or lease the Collateral. BMO reserves the right to take certain actions prior to the expiration of the 10 day period if the Collateral is at risk.

The Debtor is in Default under the Agreement, including as a result of the Debtor's failure to make installment payments on September 3, 2024 in the amount of \$36,304.66. Accordingly, we hereby declare the Agreement to be in Default and declare that all amounts owing pursuant to the Agreement are immediately due and payable and hereby demand payment thereof. In particular, we demand payment under the Agreement in the amount, as of October 18, 2024 of \$281,515.90 together with additional unpaid interest, fees and costs and all other amounts payable in connection with the Agreement. Interest (penalized interest where applicable) will continue to accrue until the past due amounts are resolved.

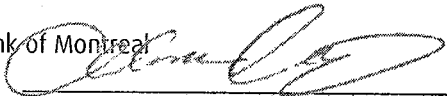
Please be advised that if payment or arrangements satisfactory to BMO aren't made by October 28, 2024, BMO will take whatever steps it deems necessary to recover the outstanding obligations of the Debtor including, without limitation, to enforce its security.

Should you wish to consent to the immediate enforcement by BMO of its security, please sign the consent and waiver on the following page and return it to the attention of the undersigned at your earliest convenience.



October 18, 2024
Customer: MOORE BROTHERS TRANSPORT LTD.
Account Number: (beginning in) 911175XXXX

BMO expressly reserves its rights and remedies with respect to this past due payment and any other defaults or breaches under the lease or loan that shall now exist or hereafter arise, which rights and remedies have at no time been waived.

Bank of Montreal
By: 

Name: TAHMAS AHMADZAI
Title: Account Resolution Specialist

Direct Dial: 285 305 6095
Toll Free: 1-844-943-2886

The undersigned hereby consents to BMO enforcing its security prior to the expiry of the above-noted period or at any time thereafter and waives all cure periods to which it may be entitled under the Agreement.

MOORE BROTHERS TRANSPORT LTD.

By: _____
Name:
Title:

CC:
MOORE, RONALD ALBERT

Appendix L

TIP/TEN Trailer Demand Letter

Rented Equipment: 24 Flatbed Trailers
as of October 15, 2024

Amount Owing as at Oct 15/24 \$ 49,927.15

Timeline

- Oct 15 TIP/TEN issued Demand Notice
Based on the notice they received from RBC
- Oct 17 Ron Moore met our account manager Ashok Massey to review the situation
TIP/TEN requested payment in advance of a meeting the following week - goodwill
- Oct 18 Payment processed in the amount of \$15,000 to be applied against our account balance
- Oct 21 Ron Moore met with TIP/TEN at their head office
Agreed to begin returning trailers to reduce their exposure

Rented Equipment: 11 Flatbed Trailers
as of November 7, 2024

Amount Owing as at Nov 7/24 \$ 52,813.74



1880 Britannia Road East, Mississauga ON L4W 1J3
Branch: 905.670.7077 Toll Free: 855.670.7077
www.tip-canada.ca

Tuesday, October 15, 2024

MOORE BROTHERS TRANSPORT LTD.
13908 HURONTARIO STREET,
CALEDON, ON L7C 2B8

Attention: Mike Moore

Via Email
moneill@moorebrothers.ca

DEMAND FOR PAYMENT

Past Due Amount As at Date	\$	49,927.15
Interest	\$	1,442.35
Amount Due	\$	<u>51,369.50</u>

Outstanding Units

Unit Number	Plate Number	Description	On Rent	VIN Number
		AS PER ATTACHED LIST		

Dear Justin Yang,

We have extended every courtesy and opportunity for you to bring your account current with us. However, our numerous and reasonable requests for payment have been ignored or refused by you.

Please be advised that unless we have received payment in full of your account and the return of all equipment by no later than noon on **Wednesday, October 23, 2024** we will be forced to secure our interest with court action and realization of security against all noted above.

I trust all to be in order,

Yours truly,

Anna Szornack-Rozanski
Billing and Credit Manager
(905)740-2822

Trailer (revised)	Class Desc	Serial	Make	Year
68082	Flat-53-Tandem	2M5121612K1176414	MANAC	2019
48F179	Flat-48-Tandem	2DEADCZ2111010071	DOEPKER	2001
53F055	Flat-53-Tandem	1GRDM06279H710807	GREAT DANE	2009
53F064	Flat-53-Tandem	1GRDM06299H710789	GREAT DANE	2009
53F088	Flat-53-Tandem	1GRDM0624CH715776	GREAT DANE	2012
53F123	Flat-53-Tandem	1GRDM0628DH717094	GREAT DANE	2013
53F126	Flat-53-Tandem	1GRDM0623DH717097	GREAT DANE	2013
53F140	Flat-53-Tandem	1GRDM0621DH719284	GREAT DANE	2013
576060	Flat-53-Tridem	1GRDM06369H710743	GREAT DANE	2009
576063	Flat-53-Tridem	1GRDM06319H710746	GREAT DANE	2009
576755	Flat-53-Tridem	2M5131619A6122011	MANAC	2010
586034	Flat-53-Tandem	1GRDM06269H710765	GREAT DANE	2009
586040	Flat-53-Tandem	1GRDM06219H710771	GREAT DANE	2009
586050	Flat-53-Tandem	1GRDM06249H710781	GREAT DANE	2009
586052	Flat-53-Tandem	1GRDM06289H710783	GREAT DANE	2009
586673	Flat-53-Tandem	1GRDM06229H712013	GREAT DANE	2009
586676	Flat-53-Tandem	1GRDM06289H712016	GREAT DANE	2009
594276	Flat-53-Tandem	2T9FA532X21011638	THRUWAY	2002
9F2007	Flat-53-Tandem-Light	1GRDM0626CH715813	GREAT DANE	2012
9F2010	Flat-53-Tandem-Light	1GRDM0621CH715816	GREAT DANE	2012
9F2039	Flat-53-Tandem-Light	2M5121617L1188592	MANAC	2020
9F3132	Flat-53-Tridem	1GRDM0635DH718034	GREAT DANE	2013
9F3134	Flat-53-Tridem	1GRDM0639DH718036	GREAT DANE	2013
9F3175	Flat-53-Tridem-Light	1GRDM0631EH719148	GREAT DANE	2014

24

Paul Guentner

From: Massey, Ashok <Ash.Massey@tip-group.com>
Sent: Thursday, October 17, 2024 3:17 PM
To: Sue Moore; Szornack-Rozanski, Anna
Cc: Ron Moore; Paul Guentner
Subject: Payment discussion
Attachments: RBC - TEN banking info (CAD).pdf

Hi Sue,

I appreciate the meeting with Ron and appreciate that everyone is working to mitigate the circumstances surrounding your business at this time.

I discussed your situation with Anna Szornack-Rozanski, Credit Manager and the feedback is that considering our longstanding relationship we do want to make you feel supported. However, there are severe credit concerns due to surrounding circumstances in our industry and flags at high risk when a customer is at the 60-90 outstanding. Our payments terms are 30 days Net. At this stage, collection protocols kick in which include the ask made of you in the demand letter, including return of equipment.

Here is what is proposed;

- a) Please make a payment of \$15,000 by Monday October 21st that establishes goodwill. We should have the payment in our bank on Tuesday. Bank transfer form is attached.
- b) Subject to above conditions met, Anna will meet with you on Wednesday at our head office, we can set up a time that works for you.

Let me know if this is doable. If not, our credit department is constrained to proceed as originally communicated in the demand letter.

I trust you will understand my position and I only wish you the very best as your group works to resolve the payments.

Best regards

Ash



Ash Massey
 Account Manager

905.740.2805

416.799.0184

From: Sue Moore <smoore@moorebrothers.ca>
Sent: Wednesday, October 16, 2024 11:17 AM
To: Massey, Ashok <Ash.Massey@tip-group.com>
Cc: Ron Moore <rmoore@moorebrothers.ca>; Sue Moore <smoore@moorebrothers.ca>; Paul Guentner <pguentner@moorebrothers.ca>
Subject: Hello Ash

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe. **A1248**

Thank you again for meeting with Ron Moore this morning and taking the time to review with him our history in Rentals and our support for many years from Blue Star trailer rentals through the years and up to now TEN Transportation Equipment Network.

Ron and I wish to meet with your executives as soon as possible to discuss the current situation and how together we can get through this very difficult time for everyone in our business community

Please let us know as soon as you can about a date and time, and we will ensure that we clear our schedules

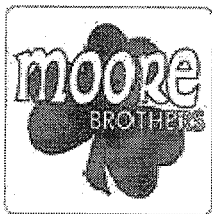
Thank you again for coming here and seeing us respectfully we appreciate this very much and after 24.5 years in this business we know we have many people working with us on surviving to 25 and beyond

Trailer Wizards	\$1,151,746.37	June 2011 – Dec 2020
Train Trailer	\$482,576.14	April 2014 – Dec 2020
TIP Fleet	\$658,632.98	Dec 2020 – Oct 2024
Ten Canada	\$541.57	Oct 2024

Total Spent from 2011 – 2024 = \$2,293,497.06

This is the sheet that Sintra Rambally our Accounts Payable Clerk for over 7 years with us at Moore Brothers Transport Ltd.

Susan Moore



Moore Brothers Transport Ltd.

13908 HURONTARIO STREET
INGLEWOOD ON
L7C 2B8

Tel: 905-838-2222 ext 231

Fax: 905-838-4798

Cell 416-771-3396

Woodstock: 714976 Oxford Road 4 Woodstock ON

Please note that permits can take up to 12 days please be patient!

Rates are only good for 15 days from the date of the emails.

*Rate requests please email rates@moorebrothers.ca

*Dispatch enquiries dispatch@moorebrothers.ca

Paul Guentner

From: Massey, Ashok <Ash.Massey@tip-group.com>
Sent: Monday, October 21, 2024 10:25 AM
To: Paul Guentner; Sue Moore; Szornack-Rozanski, Anna
Cc: Ron Moore
Subject: RE: Payment discussion

You don't often get email from ash.massey@tip-group.com. [Learn why this is important](#)

Good morning Paul, Thanks for advising on payment.

Hi Sue, Our Credit Manager, Anna Szornack-Rozanski is available to meet with you this week Wednesday or Thursday, 12 noon to 1pm or 2:30 to 4:30pm.

Please confirm a day and time that works for your group. This discussion will take place directly between your company and our credit department.

I am sincerely hoping there will be fruitful resolution to your situation while mitigating risks for our concerns and that your business will overcome and thrive.

Respectfully,
 Ash



Ash Massey
 Account Manager

905.740.2805
 416.799.0184

From: Paul Guentner <pguentner@moorebrothers.ca>
Sent: Friday, October 18, 2024 3:05 PM
To: Massey, Ashok <Ash.Massey@tip-group.com>; Sue Moore <smoore@moorebrothers.ca>; Szornack-Rozanski, Anna <Anna.Szornack-Rozanski@tip-group.com>
Cc: Ron Moore <rmoore@moorebrothers.ca>
Subject: RE: Payment discussion

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good afternoon Ash

Please note that we have processed the payment today, as per your request below – see attached confirmation.

The funds should be in your bank Monday morning. We ask that you please confirm receipt, as this is the first time we're using your new bank account, and to ensure the funds have been received ahead of Tuesday.

Thanks and have a nice weekend!

Scotiabank

ScotiaConnect® Digital Banking

MOORE BROTHERS TRANSPORT LTD.
EFT Payments Summary Report

For Period: Oct 18 2024 - Oct 18 2024

Due Date	Recipient Bank	Payment Amount	Originator Debit Account	Ref# PCRN
	Recipient Account	Payment Currency	Debit Account Currency	Trace Number
	TEN Canada Ltd.	15,000.00	MOORE BROTHERS TRANSPORT LTD.	105758945

Oct 18, 24

1003235

CAD

CAD
SD3396300220

Accepted

Report Date
Time:

10/18/2024 13:00:55

Page 1 / 1

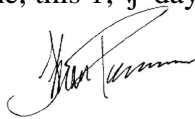
		Date	Invoice	Aging	Open Balance
TIP Fleet Services Canada Ltd.					
	Credit	10/30/2024	12007715		-326.93
	Bill	08/31/2024	15528507	67	3,196.81
	Bill	08/31/2024	12235281	67	11,927.15
	Bill	09/30/2024	12235608	37	12,051.45
	Bill	09/30/2024	11246496	37	2,565.10
	Bill	09/30/2024	15528682	37	3,401.30
	Bill	09/30/2024	37612172	37	<u>1,570.70</u>
Total TIP					<u>34,385.58</u>
TEN Canada Ltd.					
	Bill	10/07/2024	12007925	30	388.06
	Bill	10/08/2024	12235849	29	153.51
	Bill	10/22/2024	15528804	15	211.42
	Bill	10/31/2024	37612498	6	1,477.87
	Bill	10/31/2024	12235961	6	10,983.33
	Bill	10/31/2024	11247058	6	2,565.10
	Bill	10/31/2024	15528848	6	<u>2,648.87</u>
Total TEN Canada Ltd.					<u>18,428.16</u>
Grand Total Outstanding					52,813.74

Trailer Number	Picked up from	Pu City	Date picked up	Dropped for Safety Date	Picked Up from Safety Date	Location	Loaded/unloaded	RATE PER MONTH	Additional Notes
576755	TIP Dickee Settlement	Cambridge Tridem	June 25, 2024			Mena - needs tire repair	unloaded	\$815.00	
586650	TIP Milton Twiss	Milton	July 11/ 2024			Moore Ingiewood	loaded	\$695.00	loaded with Skyhawk
586652	TIP Milton Twiss	Milton	May 9th 2024			Skyhawk	loaded	\$695.00	
58882	TIP Milton Twiss	Maple	August 12, 2024			Moore Ingiewood	loaded	\$695.00	Loaded with Skyhawk load since Oct 23
588128	TIP Milton Twiss	Milton	June 4th 2024			Moore Ingiewood	unloaded - returning Nov 7th	\$695.00	Needs repairs before we return
531346	TIP Dickee Settlement	Cambridge Tandem	July 12/2024			Skyhawk	loaded	\$695.00	
576063	TIP Milton Twiss	Milton	June 7th 2024			Skyhawk	loaded	\$695.00	
9F2010	TIP Mississauga	Mississauga	July 31 2024			SIN smith	loaded	\$815.00	
9F2035	TIP Milton Twiss	Milton	July 7 2024			Skyhawk	loaded	\$695.00	
9F3132	TIP Milton Twiss	Milton	May 15, 2024			SIN Smith	loaded	\$695.00	
			June 05/2024			Skyhawk	loaded	\$815.00	

//

TAB 4

This is Exhibit "4" referred to in the Affidavit of Tco 'O wcrkj ctep
sworn before me, this 1; y day of November, 2024.



Commissioner for Taking Affidavits

Ministry of Public and
Business Service Delivery

Profile Report

CBM RENTALS INC. as of November 14, 2024

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	CBM RENTALS INC.
Ontario Corporation Number (OCN)	1000986077
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	August 21, 2024
Registered or Head Office Address	20 Maple Street, Conn, Ontario, N0G1N0, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

A handwritten signature in black ink, appearing to read "V. Quintanilla W.".

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

A1258

Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 10

Name CONNOR BARRY MOORE
Address for Service 7700 Hurontario Street, Unit 503, Brampton, Ontario,
L6Y4M3, Canada
Resident Canadian Yes
Date Began August 21, 2024

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

A525

Active Officer(s)

Name	CONNOR BARRY MOORE
Position	President
Address for Service	7700 Hurontario Street, Unit 503, Brampton, Ontario, L6Y4M3, Canada
Date Began	August 21, 2024

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

A1258

Corporate Name History

Name

CBM RENTALS INC.

Effective Date

August 21, 2024

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: CONNOR BARRY MOORE	August 23, 2024
CIA - Initial Return PAF: CONNOR BARRY MOORE	August 21, 2024
BCA - Articles of Incorporation	August 21, 2024

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

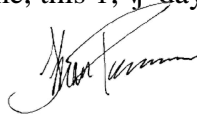
V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

TAB 5

This is Exhibit "5" referred to in the Affidavit of Tco 'O wcrkj ctep
sworn before me, this 1; vj day of November, 2024.



Commissioner for Taking Affidavits

RUN NUMBER : 320
RUN DATE : 2024/11/15
ID : 20241115091219.35

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(4094)

171
A1264

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

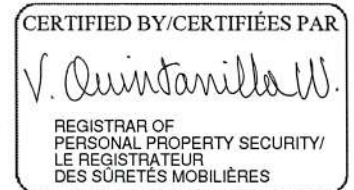
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CBM RENTALS INC.
FILE CURRENCY : 14NOV 2024

ENQUIRY NUMBER 20241115091219.35 CONTAINS 12 PAGE(S), 1 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME
WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER
SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

AIRD & BERLIS LLP
ATTN: JENAYA MCLEAN
HOLD FOR PICKUP
TORONTO ON M5J2T9

CONTINUED... 2



(crfj6 05/2022)



RUN NUMBER : 320
RUN DATE : 2024/11/15
ID : 20241115091219.35

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 2
(4095)

172
A1265

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CBM RENTALS INC.
FILE CURRENCY : 14NOV 2024

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
793816389

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 4 20230531 0907 4085 3354 P PPSA 05

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME MOORE BROTHERS TRANSPORT LTD.

04 ADDRESS 13908 HURONTARIO STREET INGLEWOOD ON L7C2B8 ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / ROYAL BANK OF CANADA

09 LIEN CLAIMANT ADDRESS 36 YORK MILLS ROAD, 4TH FLOOR TORONTO ON M2P 0A4

COLLATERAL CLASSIFICATION

10 CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
X X X X

11 MOTOR YEAR MAKE MODEL V.I.N.

12 VEHICLE

13 GENERAL THE ACQUIRED PERSONAL PROPERTY INCLUDING, WITHOUT LIMITATION, IN ALL
14 COLLATERAL GOODS, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS, INTANGIBLES,
15 DESCRIPTION MONEY AND SECURITIES NOW OWNED OR HEREAFTER OWNED OR ACQUIRED BY OR

16 REGISTERING D + H LIMITED PARTNERSHIP

17 AGENT ADDRESS 2 ROBERT SPECK PARKWAY, 15TH FLOOR MISSISSAUGA ON L4Z 1H8

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario A533

RUN NUMBER : 320
RUN DATE : 2024/11/15
ID : 20241115091219.35

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 3
(4096)

173
A1266

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CBM RENTALS INC.
FILE CURRENCY : 14NOV 2024

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
793816389

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
002 4 20230531 0907 4085 3354

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME

04 ADDRESS ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY /
LIEN CLAIMANT
09 ADDRESS

10 COLLATERAL CLASSIFICATION
CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL ON BEHALF OF DEBTOR AND ALL PROCEEDS AND RENEWALS THEREOF, ACCRETIONS
14 COLLATERAL THERE TO AND SUBSTITUTIONS THEREFOR, AND INCLUDING, WITHOUT
15 DESCRIPTION LIMITATION, ALL OF THE FOLLOWING NOW OWNED OR HEREAFTER OWNED OR

16 REGISTERING
AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

4

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario  A534

RUN NUMBER : 320
RUN DATE : 2024/11/15
ID : 20241115091219.35

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 4
(4097)

174
A1267

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CBM RENTALS INC.
FILE CURRENCY : 14NOV 2024

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
793816389

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
003 4 20230531 0907 4085 3354

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME

04 ADDRESS ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / LIEN CLAIMANT

09 ADDRESS

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 MOTOR YEAR MAKE MODEL V.I.N.

12 VEHICLE

13 GENERAL ACQUIRED BY OR ON BEHALF OF DEBTOR, ALL INVENTORY, ALL EQUIPMENT, ALL
14 COLLATERAL DEBTS, ALL DEEDS, DOCUMENTS, WRITINGS, PAPERS, BOOKS OF ACCOUNT AND
15 DESCRIPTION OTHER BOOKS RELATING TO OR BEING RECORDS OF DEBTS, CHATTEL PAPER OR

16 REGISTERING AGENT

17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 5

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(orj1fv 05/2022)



RUN NUMBER : 320
RUN DATE : 2024/11/15
ID : 20241115091219.35

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 5
(4098)

175
A1268

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CBM RENTALS INC.
FILE CURRENCY : 14NOV 2024

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
793816389

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
004 4 20230531 0907 4085 3354

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME

04 ADDRESS ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY /
LIEN CLAIMANT
09 ADDRESS

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL DOCUMENTS OF TITLE, ALL CONTRACTUAL RIGHTS AND INSURANCE CLAIMS AND
14 COLLATERAL ALL GOODWILL, PATENTS, TRADEMARKS, COPYRIGHTS, AND OTHER INDUSTRIAL
15 DESCRIPTION PROPERTY.

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 6

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)



RUN NUMBER : 320
RUN DATE : 2024/11/15
ID : 20241115091219.35

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 6
(4099)

176
A1269

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CBM RENTALS INC.
FILE CURRENCY : 14NOV 2024

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL MOTOR VEHICLE REGISTRATION PAGES SCHEDULE NUMBER	REGISTERED UNDER
01	001	5	20230616 1307 4085 0447
21	RECORD REFERENCED	FILE NUMBER	793816389
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED A AMENDMENT
23	REFERENCE	FIRST GIVEN NAME	INITIAL SURNAME
24	DEBTOR/ TRANSFEROR	BUSINESS NAME	MOORE BROTHERS TRANSPORT LTD.
25	OTHER CHANGE REASON/ DESCRIPTION	MOTOR VEHICLE OPTION WASN'T ADDED.	
02/	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL SURNAME
05	DEBTOR/ TRANSFEREE	BUSINESS NAME	
06			ONTARIO CORPORATION NO.
04/07	ADDRESS		
29	ASSIGNOR	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE	
08			
09	ADDRESS		
10	COLLATERAL CLASSIFICATION	CONSUMER	MOTOR VEHICLE
	GOODS	INVENTORY	EQUIPMENT
	X	X	X
	ACCOUNTS	OTHER	INCLUDED
	X	X	X
	AMOUNT	DATE OF MATURITY	OR NO FIXED MATURITY DATE
11	MOTOR VEHICLE	YEAR	MAKE
12	GENERAL	MODEL	V.I.N.
13	DESCRIPTION	DELETED	
14	REGISTERING AGENT OR	THE ACQUIRED PERSONAL PROPERTY INCLUDING, WITHOUT LIMITATION, IN ALL	
15	SECURED PARTY/ LIEN CLAIMANT	GOODS, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS, INTANGIBLES,	
16	ADDRESS	D + H LIMITED PARTNERSHIP	
17	ADDRESS	2 ROBERT SPECK PARKWAY, 15TH FLOOR	
		MISSISSAUGA	ON L4Z 1H8

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 7

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fv 05/2022)

Ontario **A537** 

RUN NUMBER : 320
RUN DATE : 2024/11/15
ID : 20241115091219.35

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 7
(4100)

177
A1270

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CBM RENTALS INC.
FILE CURRENCY : 14NOV 2024

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	002	5		20230616 1307 4085 0447	
21	RECORD REFERENCED	FILE NUMBER	793816389		
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
23	REFERENCE DEBTOR/ TRANSFEROR	BUSINESS NAME	FIRST GIVEN NAME	INITIAL	SURNAME
24	OTHER CHANGE REASON/ DESCRIPTION				
25	DEBTOR/ TRANSFEREE	BUSINESS NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL SURNAME
26	TRANSFERRER	BUSINESS NAME			
27	ADDRESS				ONTARIO CORPORATION NO.
28	ASSIGNOR	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE			
29	ADDRESS				
30	COLLATERAL CLASSIFICATION				
31	CONSUMER		MOTOR VEHICLE	DATE OF	NO FIXED
32	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER	INCLUDED	AMOUNT MATURITY OR	MATURITY DATE
33	MOTOR VEHICLE	YEAR MAKE	MODEL	V.I.N.	
34	GENERAL COLLATERAL DESCRIPTION	MONEY AND SECURITIES NOW OWNED OR HEREAFTER OWNED OR ACQUIRED BY OR ON BEHALF OF DEBTOR AND ALL PROCEEDS AND RENEWALS THEREOF, ACCRETIONS THERETO AND SUBSTITUTIONS THEREFOR, AND INCLUDING, WITHOUT			
35	REGISTERING AGENT OR SECURED PARTY/ LIEN CLAIMANT	ADDRESS			

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

8

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fv 05/2022)

Ontario  A538

RUN NUMBER : 320
RUN DATE : 2024/11/15
ID : 20241115091219.35

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 8
(4101)

178
A1271

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CBM RENTALS INC.
FILE CURRENCY : 14NOV 2024

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	003	5		20230616 1307 4085 0447	
21	RECORD REFERENCED	FILE NUMBER	793816389		
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
23	REFERENCE DEBTOR/ TRANSFEROR	BUSINESS NAME	FIRST GIVEN NAME	INITIAL	SURNAME
24					
25	OTHER CHANGE REASON/ DESCRIPTION				
26					
27					
28					
02/	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
05	DEBTOR/ TRANSFEREE	BUSINESS NAME			
03/					
06					ONTARIO CORPORATION NO.
04/07	ADDRESS				
29	ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE				
08					
09	ADDRESS				
10	COLLATERAL CLASSIFICATION	CONSUMER	MOTOR VEHICLE	DATE OF	NO FIXED
	GOODS	INVENTORY	EQUIPMENT	AMOUNT	MATURITY OR MATURITY DATE
			ACCOUNTS OTHER	INCLUDED	
11	MOTOR VEHICLE	YEAR	MAKE	MODEL	V.I.N.
12					
13	GENERAL	LIMITATION, ALL OF THE FOLLOWING NOW OWNED OR HEREAFTER OWNED OR			
14	COLLATERAL	ACQUIRED BY OR ON BEHALF OF DEBTOR, ALL INVENTORY, ALL EQUIPMENT, ALL			
15	DESCRIPTION	DEBTS, ALL DEEDS, DOCUMENTS, WRITINGS, PAPERS, BOOKS OF ACCOUNT AND			
16	REGISTERING AGENT OR				
17	SECURED PARTY/ LIEN CLAIMANT	ADDRESS			

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

9

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fv 05/2022)

Ontario  A539

RUN NUMBER : 320
RUN DATE : 2024/11/15
ID : 20241115091219.35

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 9
(4102)

179
A1272

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CBM RENTALS INC.
FILE CURRENCY : 14NOV 2024

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL MOTOR VEHICLE REGISTRATION PAGES SCHEDULE NUMBER	REGISTERED UNDER		
01	004	5	20230616 1307 4085 0447		
21	RECORD REFERENCED	FILE NUMBER	793816389		
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
23	REFERENCE	FIRST GIVEN NAME	INITIAL	SURNAME	
24	DEBTOR/ TRANSFEROR	BUSINESS NAME			
25	OTHER CHANGE	REASON/ DESCRIPTION			
02/	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
05/	DEBTOR/ TRANSFEREE	BUSINESS NAME			
06				ONTARIO CORPORATION NO.	
04/07	ADDRESS				
29	ASSIGNOR	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE			
08					
09	ADDRESS				
	COLLATERAL CLASSIFICATION				
	CONSUMER	MOTOR VEHICLE	DATE OF	NO FIXED	
	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED	AMOUNT MATURITY OR	MATURITY DATE	
10					
11	MOTOR VEHICLE	YEAR MAKE	MODEL	V.I.N.	
12	GENERAL	OTHER BOOKS RELATING TO OR BEING RECORDS OF DEBTS, CHATTEL PAPER OR			
14	COLLATERAL DESCRIPTION	DOCUMENTS OF TITLE, ALL CONTRACTUAL RIGHTS AND INSURANCE CLAIMS AND			
15		ALL GOODWILL, PATENTS, TRADEMARKS, COPYRIGHTS, AND OTHER INDUSTRIAL			
16	REGISTERING AGENT OR				
17	SECURED PARTY/ LIEN CLAIMANT	ADDRESS			

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

10

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fv 05/2022)

Ontario  A540

RUN NUMBER : 320
RUN DATE : 2024/11/15
ID : 20241115091219.35

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 10
(4103)

180
A1273

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CBM RENTALS INC.
FILE CURRENCY : 14NOV 2024

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER		
01	005	5		20230616 1307 4085 0447			
21	FILE NUMBER	793816389					
22	PAGE-AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD		
23	REFERENCE DEBTOR/ TRANSFEROR	BUSINESS NAME	FIRST GIVEN NAME	INITIAL	SURNAME		
25	OTHER CHANGE REASON/ DESCRIPTION						
02/05	DEBTOR/ TRANSFEREE	BUSINESS NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL SURNAME		
03/06					ONTARIO CORPORATION NO.		
04/07		ADDRESS					
29	ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE						
08		ADDRESS					
09	COLLATERAL CLASSIFICATION						
10	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	MOTOR VEHICLE INCLUDED	DATE OF AMOUNT MATURITY OR	NO FIXED MATURITY DATE
11	MOTOR VEHICLE GENERAL COLLATERAL DESCRIPTION	YEAR MAKE	MODEL		V.I.N.		
12							
13		PROPERTY.					
14							
15							
16	REGISTERING AGENT OR						
17	SECURED PARTY/ LIEN CLAIMANT	ADDRESS					

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

11

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SÛRETÉS MOBILIÈRES

(crj2fv 05/2022)

RUN NUMBER : 320
RUN DATE : 2024/11/15
ID : 20241115091219.35

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 11
(4104)

181
A1274

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CBM RENTALS INC.
FILE CURRENCY : 14NOV 2024

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	001	1		20241114 1647 1793 8228	
21	RECORD REFERENCED	FILE NUMBER	793816389		
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED A AMENDMENT	RENEWAL YEARS	CORRECT PERIOD
23	REFERENCE	FIRST GIVEN NAME	INITIAL	SURNAME	
24	DEBTOR/ TRANSFEROR	BUSINESS NAME	MOORE BROTHERS TRANSPORT LTD.		
25	OTHER CHANGE REASON/ DESCRIPTION	TO ADD A DEBTOR			
02/05	DEBTOR/ TRANSFEREE	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
06	03/ TRANSFEREE	BUSINESS NAME	CBM RENTALS INC.		
04/07	ADDRESS	20 MAPLE STREET	CONN	ONTARIO CORPORATION NO.	ON N0G1N0
29	ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE				
08	09	ADDRESS			
10	COLLATERAL CLASSIFICATION	CONSUMER	MOTOR VEHICLE	DATE OF MATURITY	NO FIXED MATURITY DATE
11	MOTOR VEHICLE GENERAL DESCRIPTION	YEAR MAKE	MODEL	V.I.N.	
16	REGISTERING AGENT OR SECURED PARTY/LIEN CLAIMANT	ADDRESS	AIRD & BERLIS LLP 181 BAY STREET, SUITE 1800, BOX# 754	TORONTO	ON M5J2T9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 12

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fv 05/2022)

RUN NUMBER : 320
RUN DATE : 2024/11/15
ID : 20241115091219.35

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 12
(4105)

182
A1275

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : CBM RENTALS INC.
FILE CURRENCY : 14NOV 2024

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
793816389	20230531 0907 4085 3354	20230616 1307 4085 0447	20241114 1647 1793 8228	

3 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

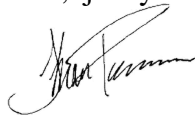
CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crf6 05/2022)

Ontario  A543

TAB 6

This is Exhibit "6" referred to in the Affidavit of Tco 'O wcrkj ctep
sworn before me, this 1; yj day of November, 2024.



Commissioner for Taking Affidavits



SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

ENDORSEMENT

COURT FILE NO.: CV-24-00729106-00CL DATE: October 24, 2024

NO. ON LIST: 1

TITLE OF PROCEEDING: **ROYAL BANK OF CANADA v. MOORE BROTHERS TRANSPORT INC.**

BEFORE: **JUSTICE W.D. BLACK**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Jeremy Nemers	Applicant, Royal Bank of Canada	jnemers@airdberlis.com
Shaun Parsons		sparsons@airdberlis.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Jason Wadden	Respondent, Moore Brothers Transport Inc.	jwadden@tyrllp.com

Other:

Name of Person Appearing	Name of Party	Contact Info

ENDORSEMENT OF JUSTICE BLACK:

[1] The applicant, Royal Bank of Canada (RBC), booked this scheduling appointment to schedule its application to appoint a receiver over the respondent (the "Debtor")'s property, assets and undertakings.

[2] Mr. Wadden attended on behalf of the Debtor. While he had not uploaded materials to Case Center, he and Mr. Nemers of counsel to RBC, confirmed that Mr. Wadden had sent a letter to Mr. Nemers late last evening (received this morning), setting out the Debtor's position and proposed steps to be taken.

[3] It was agreed, based on the Debtor's position (as conveyed by Mr. Wadden), that it makes sense to set a 60-minute appointment for the return of this application on December 9, 2024, and so that appointment has been booked (at 10:00 a.m. that day). In the meantime, the parties will "check in" at a further 9:30 appointment on November 5, 2024.

[4] The expectation is that by November 5, the Debtor's position, 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.

[5] The parties will continue discussions, and Mr. Wadden confirmed that he will deliver an updated borrowing certificate on behalf of the Debtor (one of the information items for which RBC has been waiting), by October 25, 2024.



W.D. BLACK J.

RELEASED: October 25, 2024

From: Jason Wadden <jwadden@tyrllp.com>
Sent: November 5, 2024 8:12 AM
To: Jeremy Nemers <jnemers@airdberlis.com>
Cc: Shimon Sherrington <ssherrington@tyrllp.com>; Sanjeev Mitra <smitra@airdberlis.com>
Subject: Moore Brothers - Attendance Today

Jeremy,

For the attendance today, we would like to suggest that we get an endorsement to the effect of the following:

If we are going to oppose the Application on Dec 9, we will file all of our responding materials, including factum, on Nov. 28 and you can file your reply materials and factum one week later on Dec 5. We will not cross you on your materials so the timing works fine.

As Spergel knows, or will know shortly, there have continued to be significant efforts on cost reductions, including employee layoffs and employee wage concessions, among other efforts. Given that it is better for the company to be spending less on legals for opposing the application at this point and better to be focussed on restructuring, we think that the forgoing timetable makes sense given that Spergel is in there now, so your clients won't have any surprises by what might be in any affidavit that we might file and the lines of communication will remain open in any event.

That is without prejudice to your client's right to seek an earlier hearing in the event our client breaches its interim arrangements with RBC.

If that is okay with you, we think that his honour can just put that in an endorsement.

Let us know and see you at the 9:30am.

Best,
Jason



Jason Wadden

T. [+1 416 627 9815](tel:+14166279815)

E. jwadden@tyrllp.com

488 Wellington Street West, Suite 300-302

Toronto, ON M5V 1E3



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-24-00729106-00CL

DATE: 05-NOV-2024

NO. ON LIST: 1

TITLE OF PROCEEDING: ROYAL BANK OF CANADA v. MOORE BROTHERS TRANSPORT INC.

BEFORE: JUSTICE STEELE

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Sanjeev P R Mitra	Counsel for the Applicant	smitra@airdberlis.com
Jeremy Nemers	Counsel for the Applicant	jnemers@airdberlis.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Shimon Sherrington	Counsel for the Respondent	ssherrington@tyrllp.com
Jason Wadden	Counsel for the Respondent	jwadden@tyrllp.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
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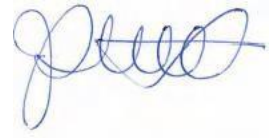
ENDORSEMENT OF JUSTICE STEELE:

[1] Scheduling appointment held on November 5, 2024 via Zoom.

[2] The applicant's application was previously scheduled for December 9, 2024 (one hour). It is still unknown whether it will be opposed because the respondents are working on certain restructuring initiatives. Because the application may be opposed, 90 minutes is required.

The application is now booked for **December 9, 2024 at 11 am (90 minutes)**. **TA 1284**
following schedule applies for materials:

- a. Responding materials – by November 12, 2024;
- b. Reply, if any – by November 19, 2024;
- c. Factums and cross examinations in accordance with the Rules.

A handwritten signature in blue ink, appearing to be 'J. L. ...', is located on the right side of the page.

Subject: FW: Moore Brothers - Spergel Report

From: Jeremy Nemers

Sent: November 19, 2024 2:50 PM

To: Mukul Manchanda <mmanchanda@spergel.ca>; Shimon Sherrington <ssherrington@tyrllp.com>; Sanjeev Mitra <smitra@airdberlis.com>; Shaun Parsons <sparsons@airdberlis.com>

Cc: Jason Wadden <jwadden@tyrllp.com>; Lindsay Lesmeister <llesmeister@spergel.ca>

Subject: RE: Moore Brothers - Spergel Report

Thank you.

Jeremy Nemers (he/him)

Partner

T 416.865.7724

E 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.

From: Mukul Manchanda <mmanchanda@spergel.ca>

Sent: November 19, 2024 2:32 PM

To: Jeremy Nemers <jnemers@airdberlis.com>; Shimon Sherrington <ssherrington@tyrllp.com>; Sanjeev Mitra <smitra@airdberlis.com>; Shaun Parsons <sparsons@airdberlis.com>

Cc: Jason Wadden <jwadden@tyrllp.com>; Lindsay Lesmeister <llesmeister@spergel.ca>

Subject: RE: Moore Brothers - Spergel Report

All,

Enclosed you will find our report.

Thanks

Mukul Manchanda, CPA, CIRP, LIT | Managing Partner

Corporate Restructuring & Insolvency

msi Spergel inc. | Licensed Insolvency Trustees

200 Yorkland Blvd., Suite 1100, Toronto, ON., M2J 5C1

T: 416-498-4314 | F: 416-498-4314

mmanchanda@spergel.ca | www.spergelcorporate.ca

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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>

A554

Cc: Jason Wadden <jwadden@tyrllp.com>; Mukul Manchanda <mmanchanda@spergel.ca>

194

Subject: Re: Moore Brothers - Spergel Report

A1287

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

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.

From: Shimon Sherrington <ssherrington@tyrllp.com>

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

To: Sanjeev Mitra <smitra@airdberlis.com>; Jeremy Nemers <jnemers@airdberlis.com>; Shaun Parsons <sparsons@airdberlis.com>

Cc: Jason Wadden <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

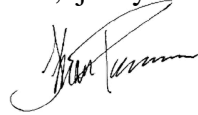
E. ssherrington@tyrllp.com

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

A555

TAB 7

This is Exhibit "7" referred to in the Affidavit of Tco 'O wcrkj ctep
sworn before me, this 1; yj day of November, 2024.



Commissioner for Taking Affidavits



District of Ontario
Division No. 09 - Toronto
Court No. BK-24-00208737-OT31
Estate No.

ONTARIO
SUPERIOR COURT OF JUSTICE

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF
MOORE BROTHERS TRANSPORT LTD.,
of the Town of Caledon, in the Province of Ontario

APPLICATION FOR BANKRUPTCY ORDER

Royal Bank of Canada (the “**Creditor**”), hereby applies to the Court that Moore Brothers Transport Ltd. (the “**Debtor**”) be adjudged bankrupt and that a bankruptcy order be made in respect of the property of the Debtor, of the Town of Caledon, in the Province of Ontario, carrying on business at the Town of Caledon, in the Province of Ontario, and say:

1. THAT the Debtor has at some time during the six months next preceding the filing of this application carried on business at the Town of Caledon, in the Province of Ontario, within the jurisdiction of this Court.
2. THAT the Debtor is justly and truly indebted to the Creditor in the principal sum of \$3,308,836.90 plus interest from November 15, 2024 and costs (collectively, the “**Indebtedness**”).
3. THAT the Creditor does hold a security interest in the assets and undertaking of the Debtor pursuant to a written general security agreement and certain leasing agreements, and estimates the value of such security to be the sum of \$600,000 as at the date hereof.
4. THAT the Debtor, within the six months next preceding the date of the filing of this application, has committed one or more of the following acts of bankruptcy, namely:
 - i. it has made a fraudulent gift, delivery or transfer of the Debtor’s property or of any part of it;
 - ii. it has transferred its property or any part of it, or has created any charge on it, that would under the *Bankruptcy and Insolvency Act* (Canada) be void as a fraudulent preference;
 - iii. it has exhibited to any meeting of its creditors any statement of its assets and liabilities that shows that it is insolvent, or

has presented or caused to be presented to any such meeting a written admission of its inability to pay its debts;

- iv. it has given notice to any of its creditors that it has suspended or that it is about to suspend payment of its debts; and/or
- v. it has ceased to meet its liabilities generally as they become due, in that it has failed to pay its obligations to the applicant creditor and to other creditors.

5. THAT msi Spergel inc., of the City of Toronto, in the Province of Ontario, is qualified to act as trustee of the property of the Debtor, has agreed to act as such and is acceptable to the undermentioned creditor:

<u>Creditor</u>	<u>Address</u>	<u>Amount of Debt</u>
Royal Bank of Canada	20 King Street West 2nd Floor Toronto, ON M5H 1C4	\$3,308,836.90 plus interest from November 15, 2024 and costs

DATED at Toronto, this 18th day of November, 2024.

Signed by the applicant creditor virtually
in the presence of:



Witness
Cristian Delfino



Royal Bank of Canada
Name: Ram Muralitharan
Title: Senior Manager, Special Loans &
Advisory Services

ISSUED at the City of Toronto, in the Province of Ontario, this 18th day of November, 2024.

Debbie L Stubbs

Digitally signed by Debbie L
Stubbs

Date: 2024.11.18 16:29:14 -05'00'

Registrar in Bankruptcy

PER Nour Boudarga, Registrar in Bankruptcy
OFFICER OF THE BANKRUPTCY COURT IN ONTARIO

District of Ontario
Division No. 09 - Toronto
Court No. BK-24-00208737-OT31
Estate No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

IN BANKRUPTCY AND INSOLVENCY


**IN THE MATTER OF THE BANKRUPTCY OF
MOORE BROTHERS TRANSPORT LTD.,
of the Town of Caledon, in the Province of Ontario**

AFFIDAVIT

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

1. THAT I am a representative of the applicant creditor herein, and as such have knowledge of the facts hereinafter deposed to.
2. THAT **Moore Brothers Transport Ltd.** (the “**Debtor**”) is justly and truly indebted to Royal Bank of Canada, in the sum of \$3,308,836.90 plus interest from November 15, 2024 and costs, as stated in the said application.
3. THAT the facts alleged in the said application are within my own knowledge true.

SWORN remotely by Ram Muralitharan)
 at the City of Toronto, in the Province)
 of Ontario, before me on this 18th day)
 of November, 2024 in accordance with)
 O. Reg. 431/20, Administering Oath)
 or Declaration Remotely)



 Commissioner for taking affidavits, etc.
 (Cristian Delfino, LSO No. 87202N)



RAM MURALITHARAN

TO: **Moore Brothers Transport Ltd.**, the debtor

TAKE NOTICE that an application that a bankruptcy order be made in respect of your property will be heard before the Registrar in Bankruptcy, at 393 University Avenue, in the City of Toronto, on _____, the ____ day of _____, 202_, in writing, or so soon thereafter as the application can be heard.

AND FURTHER TAKE NOTICE that if notice of cause against the application is not filed in Court and a copy thereof served on the solicitor for the applicant creditor at least two days before the hearing and if you do not appear at the hearing the Court may make a bankruptcy order on such proof of the statements in the application as the Court shall think sufficient.

DATED at Toronto this 18th. day of November, 2024.

TO: **Moore Brothers Transport Ltd.**
13908 Hurontario Street
Caledon, ON L7C 2B8

District of Ontario
Division No. 09 - Toronto
Court No. **BK-24-00208737-OT31**
Estate No.

ONTARIO
SUPERIOR COURT OF JUSTICE

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE
BANKRUPTCY OF MOORE
BROTHERS TRANSPORT LTD.,** of
the Town of Caledon, in the Province
of Ontario

**APPLICATION
FOR BANKRUPTCY ORDER**

AIRD & BERLIS LLP

Barristers and Solicitors
Suite 1800, Box 754
181 Bay Street
Toronto, ON M5J 2T9

Sanjeev P. R. Mitra (LSO # 37934U)

Tel: 416.865.3085

Email: smitra@airdberlis.com

Jeremy Nemers (LSO # 66410Q)

Tel: 416.865.7724

Email: jnemers@airdberlis.com

Cristian Delfino (LSO # 87202N)

Tel: 416.865.7748

Email: cdelfino@airdberlis.com

Lawyers for the applicant creditor

Applicant

Respondent

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

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

Proceedings commenced at Toronto

**REPLY AFFIDAVIT OF RAM MURALITHARAN
(sworn November 19, 2024)**

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Sanjeev P. R. Mitra (LSO # 37934U)
Tel: (416) 865-3085
Fax: (416) 863-1515
Email: smitra@airdberlis.com

Jeremy Nemers (LSO # 66410Q)
Tel: (416) 865-7724
Fax: (416) 863-1515
Email: jnemers@airdberlis.com

Shaun Parsons (LSO # 81240A)
Tel: (416) 637-7982
Fax: (416) 863-1515
Email: sparsons@airdberlis.com

Lawyers for Royal Bank of Canada.

TAB 2

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 INC.

Respondent

**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**

SERVICE LIST

(current as of November 19, 2024)

TO:	<p>AIRD & BERLIS LLP Brookfield Place 181 Bay Street, Suite 1800 Toronto, ON M5J 2T9</p> <p>Sanjeev P. R. Mitra Tel: (416) 865-3085 Email: smitra@airdberlis.com</p> <p>Jeremy Nemers Tel: (416) 865-7724 Email: jnemers@airdberlis.com</p> <p>Shaun Parsons Tel: (416) 637-7982 Email: sparsons@airdberlis.com</p> <p>Lawyers for the Applicant</p>
AND TO:	<p>MSI SPERGEL INC. 200 Yorkland Boulevard, Suite 1100 Toronto ON M2J 5C1</p>

	<p>Mukul Manchanda Email: mmanchanda@spergel.ca</p> <p>Proposed Receiver</p>
AND TO:	<p>MOORE BROTHERS TRANSPORT INC. 13908 Hurontario Street Inglewood, ON L7C 2B8</p> <p>Respondent</p>
AND TO:	<p>TYR LLP 488 Wellington St West, Suite 300-302 Toronto, ON M5V 1E3</p> <p>Jason Wadden Tel: (416) 267-9815 Email: jwadden@tyrllp.com</p> <p>Shimon Sherrington Tel: (587) 777-0367 Email: ssherrington@tyrllp.com</p> <p>Counsel to the Respondent</p>
AND TO:	<p>GARY MOORE 1 Wexford Road, Unit 9 Brampton ON L6Z 2W0</p> <p>Guarantor</p>
AND TO:	<p>RONALD MOORE 10 Flaherty Lane Caledon ON L7K 2P3</p> <p>Guarantor</p>
AND TO:	<p>SUSAN MOORE 10 Flaherty Lane Caledon ON L7K 2P3</p> <p>Guarantor</p>
AND TO:	<p>OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY 151 Yonge Street 4th Floor Toronto ON M5C 2W7</p> <p>Tel: (416) 973-6441 Email: osbservice-bsfservice@ised-isde.gc.ca</p>
AND TO:	<p>DEPARTMENT OF JUSTICE CANADA Ontario Regional Office</p>

	120 Adelaide Street West, Suite 400 Toronto, ON M5H 1T1 Email: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca
AND TO:	HIS MAJESTY THE KING IN RIGHT OF CANADA as represented by Ministry of Finance Legal Services Branch Revenue Collections Branch – Insolvency Unit 33 King Street West, P.O. Box 627 Oshawa, ON L1H 8H5 Email: insolvency.unit@ontario.ca

PPSA Registrants:

AND TO:	TD EQUIPMENT FINANCE CANADA, A DIVISION OF THE TORONTO-DOMINION BANK 400-5045 South Service Road Burlington ON L7L 5Y7 Dean Langley Email: dean.langley@td.com
AND TO:	THE TORONTO-DOMINION BANK 400-5045 South Service Road Burlington ON L7L 5Y7
AND TO:	WELLS FARGO EQUIPMENT FINANCE COMPANY 1290 Central Parkway W. Suite 1100 Mississauga ON L5C 4R3
AND TO:	CANADIAN WESTERN BANK LEASING INC. 300, 606 4 Street SW Calgary AB T2P1T1 Email: christopher.cameron@cwbank.com
AND TO:	RCAP LEASING INC. 300 - 5575 North Service Rd Burlington ON L7L 6M1
AND TO:	BANK OF MONTREAL 5750 Explorer Drive Mississauga ON L4W 0A9
AND TO:	CLE CAPITAL INC. 3390 South Service Road, Suite 301 Burlington ON L7N3J5

AND TO:	CONCENTRA BANK c/o Commercial Leasing 300-4561 Parliament Avenue Regina, SK S4W 0G3
AND TO:	FORD CREDIT CANADA COMPANY 17187 114 Ave NW Edmonton, AB T5S 2N5
AND TO:	BANK OF NOVA SCOTIA – DLAC 44 King Street W Scotia Plaza Toronto ON M5H 1H1
AND TO:	CANADIAN DEALER LEASE SERVICES INC. 372 Bay Street, Suite 1800 Toronto ON M5H 2W9
AND TO:	DE LAGE LANDEN FINANCIAL SERVICES CANADA INC. 5046 Mainway, Unit 1 Burlington ON L7L 5Z1 Email: lossrecovery@leasedirect.com
AND TO:	MERIDIAN ONECAP CREDIT CORP. Suite 1500, 4710 Kingsway Burnaby BC V5H 4M2
AND TO:	TIP FLEET SERVICES CANADA LTD. 1880 Britannia Road East Mississauga ON L4W 1J3
AND TO:	LBEL INC. 5035 South Service Road Burlington ON L7L 6M9
AND TO:	VAULT CREDIT CORPORATION 41 Scarsdale Road, Suite 5 Toronto ON M3B 2R2
AND TO:	CWB NATIONAL LEASING INC. 1525 Buffalo Place (3170354) Winnipeg MB R3T 1L9 Email: customerservice@cwbnationalleasing.com
AND TO:	MITSUBISHI HC CAPITAL CANADA LEASING, INC. 1100 Burloak Drive, Suite 401 Burlington ON L7L 6B2
AND TO:	ECAPITAL FREIGHT FACTORING, INC. 174 West Street S Orillia ON L3V 6L4

AND TO:	TEN CANADA LTD. 1880 Britannia Rd E Mississauga, ON L4W 1J3 Email: pbernard@youngmanlaw.com
----------------	--

EMAIL SERVICE LIST

smitra@airdberlis.com; jnemers@airdberlis.com; sparsons@airdberlis.com;
mmanchanda@spergel.ca; jwadden@tyrllp.com; ssherrington@tyrllp.com; [osbservice-
bsfservice@ised-isde.gc.ca](mailto:osbservice-
bsfservice@ised-isde.gc.ca); AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca;
insolvency.unit@ontario.ca; TD.EFCanadaCollection@td.com; Connie.Roberts@td.com;
pbernard@youngmanlaw.com

62042157.4

ROYAL BANK OF CANADA

- and - **MOORE BROTHERS TRANSPORT LTD.**

Applicant

Respondent

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

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

Proceedings commenced at Toronto

REPLY APPLICATION RECORD

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Sanjeev P. R. Mitra (LSO # 37934U)
Tel: (416) 865-3085
Email: smitra@airdberlis.com

Jeremy Nemers (LSO # 66410Q)
Tel: (416) 865-7724
Email: jnemers@airdberlis.com

Shaun Parsons (LSO # 81240A)
Tel: (416) 637-7982
Email: sparsons@airdberlis.com

Lawyers for Royal Bank of Canada

62440782.1