

Court File No. CV-24-00000592-0000

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

ROYAL BANK OF CANADA

Applicant

-and-

NORTH STAR FREIGHT FORWARDERS INC.

Respondent

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## **APPLICATION RECORD OF THE APPLICANT**

Returnable March 21, 2024

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February 7, 2024

**HARRISON PENZA LLP**

Barristers & Solicitors

130 Dufferin Avenue, Suite 1101

London, ON N6A 5R2

**Timothy C. Hogan (LSO #36553S)**

**Robert Danter (LSO #69806O)**

Tel: (519) 679-9660

Fax: (519) 667-3362

Email: [thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)

[rdanter@harrisonpensa.com](mailto:rdanter@harrisonpensa.com)

Lawyers for the Applicant,

Royal Bank of Canada

TO: SERVICE LIST

**SERVICE LIST**

TO: **NORTH STAR FREIGHT FORWARDERS INC.**  
12949 Innis Lake Road  
Caledon, ON L7C 2Z5  
Email: [inder@nsforwarders.com](mailto:inder@nsforwarders.com)

Respondent

AND

TO: **MSI SPERGEL INC.**  
505 Consumers Road, Suite 200  
Toronto, Ontario M2J 4V8

**Attention: Mukul Manchanda**  
Tel: (416) 498-4314  
Fax: (416) 498-4314  
Email: [mmanchanda@spergel.ca](mailto:mmanchanda@spergel.ca)

Proposed Receiver

AND

TO: **FOGLER, RUBINOFF LLP**  
77 King Street West  
Suite 3000, P.O. Box 95  
TD Centre North Tower  
Toronto, ON M5K 1G8

**RACHEL MOSES**  
Tel: (416) 864-7627  
Fax: (416) 941-8852  
Email: [rmoses@foglery.com](mailto:rmoses@foglery.com)

Lawyers for Proposed Receiver,  
msi Spergel inc.

AND

TO: **INDERJEET SINGH SEKHON**  
12949 Innis Lake Road  
Caledon, ON L7C 2Z5

Guarantor

AND

TO: **CANADA REVENUE AGENCY**  
c/o Department of Justice  
Ontario Regional Office  
120 Adelaide St. W., Suite 400  
Toronto, ON M5H 1T1  
Email: [AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca](mailto:AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca)

AND

TO: **HER MAJESTY THE QUEEN IN RIGHT  
OF ONTARIO AS REPRESENTED BY  
THE MINISTRY OF FINANCE**

Revenue Collections Branch – Insolvency Unit  
33 King Street W., P.O. Box 627  
Oshawa, ON L1H 8H5  
Email: [insolvency.unit@ontario.ca](mailto:insolvency.unit@ontario.ca)

AND

TO: **2412115 ONTARIO INC. O/A DIESEL SOLUTIONS**

21-2070 Steeles Ave. East.  
Brampton, ON L6T 1A7

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# Tab 1

**Court File No.**  
CV-24-00000592-0000

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

ROYAL BANK OF CANADA

Applicant

-and-

NORTH STAR FREIGHT FORWARDERS INC.

Respondent



**NOTICE OF APPLICATION**

**APPLICATION UNDER SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT,  
RSC 1985, C. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT,  
R.S.O. 1990, C.C.43**

**TO THE RESPONDENT:**

**A LEGAL PROCEEDING HAS BEEN COMMENCED** by the Applicant. The claim made by the applicant appears on the following page.

**THIS APPLICATION** will come on for a hearing:

- In person
- By telephone conference
- By video conference

at the following location:

On Thursday, March 21, 2024, at 10:00 a.m. or as soon after that time as the application can be heard by judicial teleconference via Zoom at Brampton, Ontario. Zoom particulars to follow.

**IF YOU WISH TO OPPOSE THIS APPLICATION**, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38C prescribed by the Rules of Civil Procedure, serve it on the applicant's lawyer or, where the applicant do not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

**IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION**, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer, or where the applicant do not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2 p.m. on the day before the hearing.

**IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.**

Date: February 1, 2024

Issued by **Jason Edward Phillips**  
Registrar  
Superior Court of Justice  
7755 Hurontario Street  
Brampton, Ontario L6W 4T1

Digitally signed by  
Jason Edward Phillips  
Date: 2024.02.07  
11:52:09 -05'00'

TO: Service List Attached



**SERVICE LIST**

TO: **NORTH STAR FREIGHT FORWARDERS INC.**  
12949 Innis Lake Road  
Caledon, ON L7C 2Z5  
Email: [inder@nsforwarders.com](mailto:inder@nsforwarders.com)

Respondent

AND

TO: **MSI SPERGEL INC.**  
505 Consumers Road, Suite 200  
Toronto, Ontario M2J 4V8

**Attention: Mukul Manchanda**  
Tel: (416) 498-4314  
Fax: (416) 498-4314  
Email: [mmanchanda@spergel.ca](mailto:mmanchanda@spergel.ca)

Proposed Receiver

AND

TO: **FOGLER, RUBINOFF LLP**  
77 King Street West  
Suite 3000, P.O. Box 95  
TD Centre North Tower  
Toronto, ON M5K 1G8

**RACHEL MOSES**  
Tel: (416) 864-7627  
Fax: (416) 941-8852  
Email: [rmoses@foglers.com](mailto:rmoses@foglers.com)

Lawyers for Proposed Receiver,  
msi Spergel inc.

AND

TO: **INDERJEET SINGH SEKHON**  
12949 Innis Lake Road  
Caledon, ON L7C 2Z5

Guarantor

AND

TO: **CANADA REVENUE AGENCY**  
c/o Department of Justice  
Ontario Regional Office  
120 Adelaide St. W., Suite 400  
Toronto, ON M5H 1T1  
Email: [AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca](mailto:AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca)

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TO: **HER MAJESTY THE QUEEN IN RIGHT  
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AND

TO: **2412115 ONTARIO INC. O/A DIESEL SOLUTIONS**

21-2070 Steeles Ave. East.  
Brampton, ON L6T 1A7

## THE APPLICATION IS FOR:

The Applicant, Royal Bank of Canada (the “**Bank**”), seeks the following relief:

1. An order (the “**Appointment Order**”) substantially in the form attached hereto as Schedule “A”, *inter alia*, appointing msi Spergel inc., as Receiver (“**Spergel**”, or the “**Receiver**”), without security, of all of the assets, undertakings and properties of the Respondent, North Star Freight Forwarders Inc. (the “**Debtor**”), acquired for, or used in relation to a business or businesses carried on by the Debtor;
2. That the time for service, filing and confirming of the Notice of Application and the Application Record be abridged and validated so that this application is properly returnable today and dispensing with further service thereof; and,
3. Such further and other relief as to this Honourable Court may seem just.

## THE GROUNDS FOR THE APPLICATION ARE:

### The Debtor

1. The Debtor is a corporation incorporated pursuant to the laws of the Country of Canada, with its registered office located in the Town of Caledon, Ontario, which operates as a trucking transport business with various moveable assets.
2. Inderjeet Singh Sekhon (“**Inderjeet**”) is the sole principal of the Debtor and is a guarantor of the obligations owing by the Debtor to the Bank.

### The Financing and the Bank’s Security

3. As of January 24, 2024, the Debtor was indebted to the Bank in the amount of \$1,213,486.94 CAD and \$245,889.78 USD, plus accruing interest and the Bank’s continuing costs of enforcement, including legal costs and professional costs (the

“**Indebtedness**”) in respect of financing advanced to the Debtor pursuant to the terms of a Royal Bank of Canada Credit Agreement dated November 9, 2022 (the “**Letter Agreement**”).

4. The credit facilities established by the Letter Agreement are:
  - a. Revolving Demand Facility: with a maximum credit limit of \$1,600,000.00 (the “**Operating Loan**”); and,
  - b. Credit Card Facility: with a credit limit of \$200,000.00,  
  
(collectively, the “**Financing**”).
5. The terms of the Financing require the Debtor to, *inter alia*, provide all reporting as same become due.
6. The Bank holds, *inter alia*, the following as security pursuant to the Letter Agreement:
  - a. General Security Agreement from the Debtor dated November 9, 2022 (the “**GSA**”);  
  
and,
  - b. Guarantee and Postponement of Claim from Inderjeet dated November 9, 2022,  
  
limited to the amount of \$1,800,000.00 (the “**Guarantee**”)  
  
(collectively, the “**Security**”, or the “**Bank’s Security**”).

#### **The Bank’s Security Interest in the Debtor’s Personal Property**

7. The Bank has registered a Financing Statement against the Debtor pursuant to the provisions of the *Personal Property Security Act* (Ontario) to perfect its security interest in the property of the Debtor secured under the Security Agreement.
8. The Personal Property Security Registration System Search Results for the Debtor

confirm that the Bank has a perfected security interest in the personal property of the Debtor.

### **Default, Demands and Communications**

9. The Debtor defaulted under the terms of the Financing as a result of, *inter alia*:
  - a. failing to provide reporting pursuant to the Letter Agreement after multiple attempts by the Bank to obtain such reporting;
  - b. the Debtor has placed their own accounts on deposit only, resulting in interest arrears on the Financing;
  - c. the Bank has concerns that the Debtor is not depositing all revenue to the Bank; and,
  - d. The Operating Loan is not revolving(collectively, the “**Default**”).
  
10. As a result of the Default, the Bank did deliver to the Debtor a demand for payment and a Notice of Intention to Enforce Security pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”), each dated November 17, 2023. The Bank also delivered a demand to Inderjeet in relation to the Guarantee, also dated November 17, 2023 (collectively, the “**Demand**”).
  
11. The Debtor and Inderjeet have failed to repay the Indebtedness due, despite the Demand.

### **The Appointment of a Receiver**

12. The Indebtedness due pursuant to the Demand has not been paid. The ten (10) day period under section 244 of the *BIA* has expired. The Bank is in a position to appoint a receiver over the assets and property of the Debtor pursuant to section 243 of the *BIA*.

13. The provisions of the Bank's Security provide the Bank with the power to appoint a Receiver over all of the personal property of the Debtor as secured by the GSA.

### **The Bank's Position**

14. The Debtor is in default of the Financing, and the Default continues.
15. The Demand has expired, and the Bank is in a position to seek the order appointing the Receiver, pursuant to the provisions of the GSA.
16. The Bank has advised the Debtor as to its concerns as to lack of information and clarity provided to the Bank.
17. The Appointment of a Receiver is necessary in order to conclude a sale of the Debtor's property, and to apply the proceeds of such sale to the Debtor's indebtedness.
18. The Debtor's property includes tractors and trailers, which are moveable assets that may be difficult to locate and subject to potential liens in favour of repairers and storers. The appointment of a Receiver is necessary in light of the nature of the Debtor's property and the potential difficulty in locating same.
19. The Debtor's liquidity crisis will impact the Debtor's ability to service its debts and puts the Debtor's property at risk. The appointment of a Receiver is necessary to (i) determine the actual state of the Debtor's business and the location of its property, and (ii) if necessary, to manage the Debtor's businesses and maintain the Debtor's property until a sale can be arranged.
20. The Bank is unaware of the condition of the Debtor's property and whether it is being properly maintained. Absent the appointment of a Receiver, the state of the Debtor's property may degrade, which will negatively impact the value of the Bank's Security. The

appointment of a Receiver is necessary to ensure that the Debtor's property is maintained until a sale can be arranged.

21. The appointment of a Receiver will also be necessary to settle any issues of priority as between the Bank's Security and the Debtor's other creditors.
22. It is the Bank's position that the appointment of the Receiver is just and equitable and is necessary for the protection of the estate of the Debtor, and the interests of the Bank, as secured creditor, and other stakeholders.
23. The Bank proposes that Spergel be appointed as Receiver, without security, over all of the assets, undertakings, and properties of the Debtor.
24. Spergel has consented to act as Receiver should this Honourable Court so appoint it.
25. Section 243 of the *Bankruptcy and Insolvency Act, R.S.C., 1985, c. B-3, as amended*.
26. Section 101 of the *Courts of Justice Act, R.S.O. 1990, c. C.43, as amended*.
27. Rule 3, 14, 38 and any other applicable Rule of the *Rules of Civil Procedure*.
28. Such further and other grounds as counsel may advise.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the application:

1. The Notice of Application and all Schedules thereto;
2. The Affidavit of Kevin Leung, to be sworn, and all Exhibits thereto;
3. The Consent of the Receiver; and,
4. Such further and other material as counsel may advise and this Honourable Court may permit.

February 1, 2024

**HARRISON PENZA LLP**

Barristers & Solicitors  
130 Dufferin Avenue, Suite 1101  
London, ON N6A 5R2

**Timothy C. Hogan (LSO #36553S)**  
**Robert Danter (LSO #69806O)**

Tel: (519) 661-6743

Fax: (519) 667-3362

Email: [thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)

[rdanter@harrisonpensa.com](mailto:rdanter@harrisonpensa.com)

Lawyers for the Applicant,  
Royal Bank of Canada



**Schedule “A-1” – Appointment Order (Clean)**

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE

)

DAY, THE

)

JUSTICE

)

DAY OF

**ROYAL BANK OF CANADA**

Applicant

- and -

**NORTH STAR FREIGHT FORWARDERS INC.**

Respondent

**ORDER  
(Appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing msi Spergel inc. as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of North Star Freight Forwarders Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day by judicial videoconference via Zoom, at 7755 Hurontario Street, Brampton, Ontario.

ON READING the affidavit of Kevin Leung sworn January , 2024 and the Exhibits thereto, and on hearing the submissions of counsel for the Applicant, no one else appearing although duly served as appears from the affidavit of service of Isabelle Stacey sworn and on reading the consent of msi Spergel inc. to act as the Receiver,

## SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

## APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, msi Spergel inc. is hereby appointed Receiver, 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").

## RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- - -

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$, provided that the aggregate consideration for all such transactions does not exceed \$; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required.
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing,

the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

(r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

5. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former 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, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the 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 Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege

attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

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

#### NO PROCEEDINGS AGAINST THE RECEIVER

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

### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

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

### **NO EXERCISE OF RIGHTS OR REMEDIES**

11. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

### **NO INTERFERENCE WITH THE RECEIVER**

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

### **CONTINUATION OF SERVICES**

13. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers,



facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

### **RECEIVER TO HOLD FUNDS**

14. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

### **EMPLOYEES**

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

### **PIPEDA**

16. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and

limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

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

### **LIMITATION ON THE RECEIVER'S LIABILITY**

18. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, including, but not limited to, any illness or bodily harm resulting from a party or parties contracting COVID-19, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

## **RECEIVER'S ACCOUNTS**

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

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

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

## **FUNDING OF THE RECEIVERSHIP**

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

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

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

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

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

#### **SERVICE AND NOTICE**

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

27. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the

records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

## **GENERAL**

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

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

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

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

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

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

34. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. on the date of this Order and is enforceable without the need for entry or filing.

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Justice, Ontario Superior Court of Justice

## SCHEDULE "A"

### RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that msi Spergel inc. the receiver (the "Receiver") of the assets, undertakings and properties North Star Freight Forwarders Inc. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the \_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Order") made in an action having Court file number \_\_-CL-\_\_\_\_\_, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

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

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

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

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

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

Per: \_\_\_\_\_

Name:

Title:



ROYAL BANK OF CANADA

v. NORTH STAR FREIGHT FORWARDERS INC.

Applicant

Respondent

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
PROCEEDING COMMENCED AT  
BRAMPTON, ONTARIO**

**ORDER**

**HARRISON PENZA LLP**  
Barristers & Solicitors  
130 Dufferin Avenue, Suite 1101  
London, Ontario N6A 5R2

**Timothy C. Hogan (LSO #36553S)  
Robert Danter (LSO #69806O)**

Tel : (519) 661-6743

Fax: (519) 667-3362

Email: [thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)  
[rdanter@harrisonpensa.com](mailto:rdanter@harrisonpensa.com)

Lawyers for the Applicant,  
Royal Bank of Canada

**Schedule "A-2" – Appointment Order (Blacklined)**

Revised: January 21, 2014  
~~s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver~~

Court File No. \_\_\_\_\_

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

THE HONOURABLE \_\_\_\_\_ ) ~~WEEKDAYDAY~~, THE #  
JUSTICE \_\_\_\_\_ )  
DAY OF ~~MONTH, 20YR~~

**PLAINTIFF<sup>1</sup>ROYAL BANK OF CANADA**

PlaintiffApplicant

- and -

**DEFENDANTNORTH STAR FREIGHT FORWARDERS INC.**

DefendantRespondent

**ORDER  
(~~appointing~~ Appointing Receiver)**

THIS ~~MOTION~~APPLICATION made by the PlaintiffApplicant<sup>2</sup> for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing ~~[RECEIVER'S NAME]~~msi Spergel inc. as receiver ~~{and manager}~~ (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~North Star Freight Forwarders Inc. (the "Debtor") acquired for, or used in relation to a

<sup>1</sup> ~~The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.~~

<sup>2</sup> ~~Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".~~

business carried on by the Debtor, was heard this day by judicial videoconference via Zoom, at 330 University Avenue, Toronto 7755 Hurontario Street, Brampton, Ontario.

ON READING the affidavit of [NAME]Kevin Leung sworn [DATE]January , 2024 and the Exhibits thereto, and on hearing the submissions of counsel for [NAMES]the Applicant, no one else appearing for [NAME] although duly served as appears from the affidavit of service of [NAME]Isabelle Stacey sworn [DATE] and on reading the consent of [RECEIVER'S NAME]msi Spergel inc. to act as the Receiver,

#### SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of MotionApplication and the MotionApplication Record is hereby abridged and validated<sup>3</sup> so that this motionApplication is properly returnable today and hereby dispenses with further service thereof.

#### APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, [RECEIVER'S NAME]msi Spergel inc. is hereby appointed Receiver, 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").

#### RECEIVER'S POWERS

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

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<sup>3</sup> If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.

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

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

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- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings.<sup>4</sup> The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$          , provided that the aggregate consideration for all such transactions does not exceed \$          ; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, for section 31 of the Ontario *Mortgages Act*, as the

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~~<sup>4</sup> This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

case may be,<sup>5</sup> shall not be required, ~~and in each case the Ontario Bulk Sales Act shall not apply.~~

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

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~~<sup>5</sup> If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

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

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

5. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former 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, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the 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 Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto



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

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

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

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

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

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

### **NO EXERCISE OF RIGHTS OR REMEDIES**

11. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

### **NO INTERFERENCE WITH THE RECEIVER**

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

### **CONTINUATION OF SERVICES**

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

## **RECEIVER TO HOLD FUNDS**

14. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

## **EMPLOYEES**

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

## **PIPEDA**

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

identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

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

### **LIMITATION ON THE RECEIVER'S LIABILITY**

18. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, including, but not limited to, any illness or bodily harm resulting from a party or parties contracting COVID-19, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

### **RECEIVER'S ACCOUNTS**

19. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver

shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.<sup>6</sup>

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

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

#### FUNDING OF THE RECEIVERSHIP

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

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~~<sup>6</sup>Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

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

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

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

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

### **SERVICE AND NOTICE**

26. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '[@](#)'.

27. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the

records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

## GENERAL

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

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

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

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

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

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

33.34. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. on the date of this Order and is enforceable without the need for entry or filing.

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Justice, Ontario Superior Court of Justice

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DOCSTOR: 1771742/8

## SCHEDULE "A"

### RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~ msi Spergel inc. the receiver (the "Receiver") of the assets, undertakings and properties ~~[DEBTOR'S NAME]~~ North Star Freight Forwarders Inc. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (~~Commercial List~~) (the "Court") dated the \_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Order") made in an action having Court file number \_\_-CL-\_\_\_\_\_, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

~~[RECEIVER'S NAME]~~ msi Spergel inc., solely  
in its capacity  
as Receiver of the Property, and not in its  
personal capacity

Per: \_\_\_\_\_

Name:

Title:

ROYAL BANK OF CANADA v. NORTH STAR FREIGHT FORWARDERS INC.

Applicant

Respondent

Court File No. CV-24-00000592-0000

ONTARIO  
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT  
BRAMPTON, ONTARIO

ORDER

HARRISON PENZA LLP

Barristers & Solicitors  
130 Dufferin Avenue, Suite 1101  
London, Ontario N6A 5R2

Timothy C. Hogan (LSO #36553S)

Robert Danter (LSO #69806O)

Tel : (519) 661-6743

Fax: (519) 667-3362

Email: [thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)  
[rdanter@harrisonpensa.com](mailto:rdanter@harrisonpensa.com)

Lawyers for the Applicant,  
Royal Bank of Canada

ROYAL BANK OF CANADA

v.

NORTH STAR FREIGHT FORWARDERS INC.

Applicant

Respondent

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT  
BRAMPTON, ONTARIO

**NOTICE OF APPLICATION**

**HARRISON PENZA LLP**

Barristers & Solicitors  
130 Dufferin Avenue, Suite 1101  
London, Ontario N6A 5R2

**Timothy C. Hogan (LSO #36553S)  
Robert Danter (LSO #69806O)**

Tel : (519) 661-6743

Fax: (519) 667-3362

Email: [thogan@harrisonpenza.com](mailto:thogan@harrisonpenza.com)  
[rdanter@harrisonpenza.com](mailto:rdanter@harrisonpenza.com)

Lawyers for the Applicant,  
Royal Bank of Canada

# Tab 2

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

ROYAL BANK OF CANADA

Applicant

-and-

NORTH STAR FREIGHT FORWARDERS INC.

Respondent

**AFFIDAVIT OF KEVIN LEUNG**

(Sworn February 1, 2024)

I, **KEVIN LEUNG**, of the City of Brampton, in the Province of Ontario, **MAKE**

**OATH AND SAY:**

1. I am a Senior Manager, Special Loans, with the Applicant, Royal Bank of Canada (the "**Bank**"), and as such have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary these matters are within my own knowledge and are true. Where I have indicated that I have obtained facts from other sources, I have identified the source and I believe those facts to be true.

**The Debtor**

2. The Respondent, North Star Freight Forwarders Inc. (the "**Debtor**"), is a company incorporated pursuant to the laws of the Country of Canada, with its registered office located in the Town of Caledon, Ontario. Attached hereto and marked as **Exhibit "A"** is a true copy of the corporate profile search results for the Debtor.
3. Inderjeet Singh Sekhon ("**Inderjeet**") is the sole principal of the Debtor, and is a guarantor of the obligations owing by the Debtor to the Bank.

4. The Debtor operates a trucking transport business out of the premises located at 11553 Tenth Line, Halton Hills, Ontario.
5. The Debtor defaulted under the terms of the Letter Agreement, as defined below, as a result of:
  - a. the Debtor's failure to provide reporting as it became due after multiple attempts by the Bank to obtain such reporting;
  - b. the Debtor has placed their own accounts on deposit only, resulting in interest arrears on the Financing (as defined below);
  - c. the Bank has concerns that the Debtor is not depositing all revenue to the Bank; and,
  - d. the Operating Loan (as defined below) is not revolving(collectively, the "**Default**").
6. The Bank is unwilling to provide the Debtor with any further credit or forbearance.

#### **The Financing and The Bank's Security**

7. As of January 24, 2024, the Debtor was indebted to the Bank in the amount of \$1,213,486.94 CAD and \$245,889.78 USD, plus the costs of enforcement, including legal and professional costs, and interest (the "**Obligations**"), in respect of certain financing advanced to the Debtor pursuant to the terms of a Royal Bank of Canada Credit Agreement dated November 9, 2022 (the "**Letter Agreement**"). Attached hereto and marked as **Exhibit "B"** is a true copy of the Letter Agreement.
8. The credit facilities established by the Letter Agreement are:
  - a. Revolving Demand Facility: with a maximum credit limit of \$1,600,000.00, upon which the sum of \$1,213,486.94 CAD and \$245,889.78 USD was owing as at January 24, 2024 (the "**Operating Loan**"); and

- b. Credit Card Facility: with a credit limit of \$200,000.00, upon which the sum of \$0.00 was owing as at January 24, 2024

(collectively, the “**Financing**”).

- 9. The Operating Loan is payable on demand.
- 10. As consideration for the Financing, the Bank requested and did receive the following as security for the Financing:
  - a. General Security Agreement from the Debtor dated November 9, 2022 (the “**GSA**”). Attached hereto and marked as **Exhibit “C”** is a true copy of the GSA; and,
  - b. Guarantee and Postponement of Claim from Inderjeet dated November 9, 2022, limited to the amount of \$1,800,000.00 (the “**Guarantee**”). Attached hereto and marked as **Exhibit “D”** is a true copy of the Guarantee.

**The Bank’s Security Interest in the Personal Property of the Debtor**

- 11. The GSA secures the following personal property of the Debtor:

**1. SECURITY INTEREST**

*(a) For value received, the undersigned (“Debtor”), hereby grants to ROYAL BANK OF CANADA (“RBC”), a security interest (the “Security Interest”) in the undertaking of Debtor and in all of Debtor’s present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities and all other Investment Property now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore (hereinafter collectively called “Collateral”), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:*

- i. all inventory of whatever kind and wherever situate;*
- ii. all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;*



- iii. *all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor ("Debts");*
- iv. *all lists, records and files relating to Debtor's customers, clients and patients;*
- v. *all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;*
- vi. *all contractual rights and insurance claims;*
- vii. *all patents, industrial designs, trade-marks, trade secrets and know-how including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively "Intellectual Property");*
- viii. *all property described in Schedule "C" or any schedule now or hereafter annexed hereto...*

## **2. INDEBTEDNESS SECURED**

*The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of Debtor to RBC (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and RBC shall be entitled to pursue full payment thereof.*

12. The Bank has registered Financing Statements as against the Debtor pursuant to

the provisions of the *Personal Property Security Act* (Ontario) to perfect its security interest in the personal property of the Debtor secured under the GSA.

13. The Personal Property Security Registration System Search Results for the Debtor confirms that the Bank holds a perfected security interest in the personal property of the Debtor as secured by the GSA. Attached hereto and marked as **Exhibit “E”** is a true copy of the Personal Property Security Registration System Search Results for the Debtor, current to January 18, 2024.

### **Default and the Demands**

14. On October 17, 2023, the Bank issued a letter to the Debtor advising of its default as a result of failing to provide reporting pursuant to the Letter Agreement, and that the Bank required the Debtor to remedy same prior to October 31, 2023. Attached hereto and marked as **Exhibit “F”** is a true copy of the letter dated October 17, 2023.
15. The Debtor failed to respond to the Bank’s letter dated October 17, 2023, and failed to provide the reporting as requested by the Bank.
16. Due to the Default as set out above, there is a lack of transparency with respect to the status and stability of the Debtor’s business.
17. As a result of the Debtor placing its accounts on deposit only:
  - a. Interest payments are in arrears to the Financing;
  - b. The Bank has no visibility as to how the Debtor is meeting its other ongoing liabilities including Canada Revenue Agency for HST and employee deductions at source
18. As a result of the Default, the Bank did deliver a demand for payment and a Notice of Intention to Enforce Security to the Debtor, pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”), both dated November 17, 2023. The Bank also delivered a demand to Inderjeet as the guarantor of the Debtor, also dated November 17, 2023 (collectively, the “**Demands**”). Attached hereto and marked as **Exhibit “G”** is a true copy of the Demands with the

corresponding registered mail receipt.

19. On November 23, 2023, I met with the Debtor and requested that it provide the Bank with financial information and documentation.
20. On November 28, 2023, counsel for the Bank e-mailed the Debtor at [inder@nsforwarders.com](mailto:inder@nsforwarders.com) with copies of the Demands and advised that the notice period under the Demands had expired, however the Bank was providing the Debtor forbearance, credit and banking services on a day-to-day basis in the Bank's discretion. Attached hereto and marked as **Exhibit "H"** is a true copy of the of the November 28, 2023 e-mail.
21. On November 28, 2023, I e-mailed the Debtor requesting information, pursuant to the Letter Agreement, by December 6, 2023. Attached hereto and marked as **Exhibit "I"** is a true copy of the of the November 28, 2023 e-mail.
22. On December 6, 2023, Amandeep Singh, who advised that he is the external accountant of the Debtor, responded to my e-mail and advised that they were collecting the required information, and asked until the end of day "Friday to submit required documents". Attached hereto and marked as **Exhibit "J"** is a true copy of the of the December 6, 2023 e-mail.
23. On December 7, 2023, I e-mailed the Debtor confirming that the deadline was extended to end of day Friday, as requested. Attached hereto and marked as **Exhibit "K"** is a true copy of the of the December 7, 2023 e-mail.
24. On December 13, 2023, I e-mailed the Debtor asking for an update regarding the requested information. Attached hereto and marked as **Exhibit "L"** is a true copy of the of the December 13, 2023 e-mail.
25. On January 11, 2024, counsel for the Bank e-mailed the Debtor advising that no response from the Debtor was received following the Bank's December 13, 2023 e-mail, that the Bank had concerns, was terminating forbearance, credit and banking services, and the Bank would be applying to the Court for an order appointing a receiver over the property of the Debtor. Attached hereto and marked as **Exhibit "M"** is a true copy of the of the January 11, 2024 e-mail.

26. All statutory notice periods in relation to the Demands have expired, and the Debtor and Inderjeet have failed to repay the Obligations due, despite the Demands.

### **The Appointment of a Receiver**

27. The Obligations due pursuant to the Demands have not been paid. The Debtor is in default of the Financing.
28. The ten (10) day period under section 244(1) of the *BIA* has expired. The Bank is in a position to appoint a Receiver over the property of the Debtor as secured pursuant to the Security, pursuant to section 243 of the *BIA*.

### **Personal Property**

29. Paragraph 13(a) of the GSA grants the Bank the right to appoint a Receiver over all personal property of the Debtor, secured thereunder, as a result of the Default, as follows:

#### ***REMEDIES***

*(a) Upon default, RBC may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of RBC or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not RBC, and RBC shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all of any part of the business of Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may situate, maintain Collateral upon such*

*premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by RBC, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to RBC. Every such Receiver may, in the discretion of RBC, be vested with all or any of the rights and powers of RBC.*

30. The Debtor is in default of the terms of the Financing and the Obligations are due and payable in full.
31. The provisions of the Bank's Security provide the Bank with the power to appoint a Receiver over all personal property of the Debtor as secured by the GSA.

### **The Bank's Position**

32. The Debtor is in default of the Financing, which Default continues. The terms of the Security authorize the Bank to appoint a Receiver over all property of the Debtor as a result of the Default.
33. The Obligations due pursuant to the Demands have not been paid. All notice periods under the *BIA* have expired, and the Bank is unwilling to provide the Debtor with any further credit or forbearance.
34. The Debtor is insolvent, and the Bank is in a position to seek the Order Appointing the Receiver, pursuant to the provisions of the GSA.
35. The Appointment of a Receiver is necessary in order to conclude a sale of the Debtor's property, and to apply the proceeds of such sale to the Debtor's obligations.
36. The Debtor's property includes tractors and trailers, which are moveable assets that may be difficult to locate and subject to potential liens in favour of repairers and storers. The appointment of a Receiver is necessary in light of the nature of the Debtor's property and the potential difficulty in locating same.

37. The Debtor's liquidity crisis will continue to negatively impact the Debtor's ability to service its debts, both to the Bank as senior secured creditor, as well as any other creditors. The appointment of a Receiver is necessary to (i) determine the actual state of the Debtor's business, and (ii) if necessary, to manage the Debtor's business until a sale of the Debtor's property can be arranged.
38. The Bank is unaware whether the Debtor's property is being properly maintained. Absent the appointment of a Receiver, the state of the Debtor's property may degrade, which will negatively impact the value of the Bank's Security. The appointment of a Receiver is necessary to ensure that the Debtor's property is maintained until a sale can be arranged.
39. Further, the appointment of a Receiver will also be necessary to settle any issues of priority as between the Bank's Security and the Debtor's other creditors.
40. It is the Bank's position that the appointment of the Receiver is just and equitable and is necessary for the protection of the estate of the Debtor, and the interests of the Bank, as a secured creditor, and other stakeholders.
41. The Bank proposes that msi Spergel inc. ("**Spergel**") be appointed as Receiver, without security, over all personal property of the Debtor, as secured by the GSA.
42. Spergel has consented to act as Receiver should this Honourable Court so appoint it.
43. This affidavit is made in support of the within application for the appointment of Spergel as Receiver, without security, over all of the property of the Debtor, and for no other improper purpose.

**Sworn or Affirmed before me:**  in person OR  by video conference

by Kevin Leung of the City of Brampton in the Province of Ontario, before me at the City of London in the Province of Ontario, on February 1, 2024 in accordance with [O. Reg. 431/20](#), Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (*or as may be*)



\_\_\_\_\_  
Signature of Commissioner



\_\_\_\_\_  
**KEVIN LEUNG**

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

ROYAL BANK OF CANADA

Applicant

-and-

NORTH STAR FREIGHT FORWARDERS INC.

Respondent

ATTACHED HERETO ARE EXHIBITS "A" TO "M"  
AS REFERRED TO IN THE AFFIDAVIT OF KEVIN LEUNG,  
SWORN BEFORE ME BY VIDEOCONFERENCE ON FEBRUARY 1, 2024.



---

A Commissioner, etc.

# EXHIBIT "A"





## Corporate Profile / Profil corporatif

<b>Date and time of Corporate Profile (YYYY-MM-DD)</b>	2023-11-15 2:41 PM	<b>(AAAA-MM-JJ) Date et heure du Profil corporatif</b>
--	--------------------	--

CORPORATE INFORMATION		RENSEIGNEMENTS CORPORATIFS
<b>Corporate name</b>	<b>Dénomination</b>	
	North Star Freight Forwarders Inc.	
<b>Corporation number</b>	1250875-3	<b>Numéro de société ou d'organisation</b>
<b>Business number</b>	798888061RC0001	<b>Numéro d'entreprise</b>
<b>Governing legislation</b>	<b>Régime législatif</b>	
	Canada Business Corporations Act (CBCA) - 2020-11-19 Loi canadienne sur les sociétés par actions (LCSA) - 2020-11-19	
<b>Status</b>	<b>Statut</b>	
	Active - Dissolution Pending (Non-compliance) Active - Dissolution en cours (Non conformité)	

REGISTERED OFFICE ADDRESS	ADRESSE DU SIÈGE
	12949 Innis Lake Road Caledon ON L7C 2Z5 Canada

ANNUAL FILINGS	DÉPÔTS ANNUELS
<b>Anniversary date (MM-DD)</b>	11-19 <b>(MM-JJ) Date anniversaire</b>
<b>Filing period (MM-DD)</b>	11-19 to/au 01-18 <b>(MM-JJ) Période de dépôt</b>
<b>Status of annual filings</b>	<b>Statut des dépôts annuels</b>
	Overdue 2022 En retard
	Overdue 2021 En retard
<b>Date of last annual meeting (YYYY-MM-DD)</b>	Not available / Pas disponible <b>(AAAA-MM-JJ) Date de la dernière assemblée annuelle</b>
<b>Type</b>	<b>Type</b>
	Not available
	Pas disponible

DIRECTORS		ADMINISTRATEURS
Minimum number	1	Nombre minimal
Maximum number	10	Nombre maximal
Current number	1	Nombre actuel
Inderjeet Singh Sekhon	12949 Innis Lake Road, Caledon ON L7C 2Z5, Canada	

CORPORATE HISTORY		HISTORIQUE CORPORATIF
<b>Corporate name history (YYYY-MM-DD)</b>		<b>(AAAA-MM-JJ) Historique de la dénomination</b>
2020-11-19 to / à 2021-01-07	12508753 Canada Inc.	
2021-01-07 to present / à maintenant	North Star Freight Forwarders Inc.	
<b>Certificates issued (YYYY-MM-DD)</b>		<b>(AAAA-MM-JJ) Certificats émis</b>
Certificate of Incorporation	2020-11-19	Certificat de constitution en société
Certificate of Amendment	2021-01-07	Certificat de modification
Amendment details:		Renseignements concernant les modifications aux statuts :
Corporate name		Dénomination sociale
Amendments details are only available for amendments effected after 2010-03-20. Some certificates issued prior to 2000 may not be listed.		Seuls les renseignements concernant les modifications effectuées après 2010-03-20 sont disponibles. Certains certificats émis avant 2000 pourraient ne pas être listés.
<b>Documents filed (YYYY-MM-DD)</b>		<b>(AAAA-MM-JJ) Documents déposés</b>

The Corporate Profile sets out the most recent information filed with and accepted by Corporations Canada as of the date and time set out on the Profile.	Le Profil corporatif fait état des renseignements fournis et acceptés par Corporations Canada à la date et à l'heure indiquées dans le profil.
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# EXHIBIT “B”

**ROYAL BANK OF CANADA CREDIT AGREEMENT**

DATE: November 9, 2022

**BORROWER:**

NORTH STAR FREIGHT FORWARDERS INC.

**SRF:**

267584811

**ADDRESS** (Street, City/Town, Province, Postal Code)12949 INNIS LAKE RD  
CALEDON, ON L7C 2Z5

Royal Bank of Canada (the “**Bank**”) hereby confirms to the undersigned (the “**Borrower**”) the following credit facilities (the “**Credit Facilities**”), banking services and other products subject to the terms and conditions set forth below and in the standard terms provided herewith (collectively the “**Agreement**”). The Credit Facilities are made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of these facilities at any time and from time to time without notice.

**CREDIT FACILITIES****Facility #1 Revolving demand facility in the amount of \$1,600,000.00, available by way of RBP and/or RBUSBR based loans.**

Minimum retained balance \$5,000.00

Revolved by the Bank in increments of \$5,000.00

Interest rate: RBP + 2.00% and/or RBUSBR + 2.00% per annum. Interest payable monthly, in arrears, on the same day each month as determined by the Bank.

Margined: Yes [ ] No [X]

**OTHER FACILITIES**

The Credit Facilities are in addition to the following facilities (the “**Other Facilities**”). The Other Facilities will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and any such separate agreement, the terms of the separate agreement will govern.

a) Credit Card to a maximum amount of \$200,000.00 available in Canadian currency and US currency.

**SECURITY**

Security for the Borrowings and all other obligations of the Borrower to the Bank, including without limitation any amounts outstanding under any Leases, if applicable, (collectively, the “**Security**”), shall include:

- a) General security agreement on the Bank's form 924 signed by the Borrower constituting a first ranking security interest in all personal property of the Borrower;
- b) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$1,800,000.00 signed by Inderjeet Singh Sekhon;
- c) Postponement and assignment of claim on the Bank's form 918 signed by Inderjeet Singh Sekhon.

**FEES**

Annual renewal fee of \$1,500.00 payable upon acceptance of this Agreement or as agreed upon between the Borrower and the Bank.

Arrangement fee of \$2,000.00 payable upon acceptance of this Agreement or as agreed upon between the Borrower and the Bank.

Facility #1 management fee of \$300.00 payable in arrears on the same day each month.

**REPORTING REQUIREMENTS**

○ Registered trademark of Royal Bank of Canada.

The Borrower will provide to the Bank:

- a) annual aged list of accounts receivable and aged list of accounts payable for the Borrower, within 90 days of each fiscal year end;
- b) annual review engagement financial statements for the Borrower, within 90 days of each fiscal year end;
- c) biennial personal statement of affairs for all Guarantors, who are individuals, within 90 days of the end of every second fiscal year of the Borrower, commencing with the fiscal year ending in 2023;
- d) such other financial and operating statements and reports as and when the Bank may reasonably require.

### **BUSINESS LOAN INSURANCE PLAN**

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

If the Borrower decides to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

### **STANDARD TERMS**

The following standard terms have been provided to the Borrower:

- Form 472 (09/2022) Royal Bank of Canada Credit Agreement – Standard Terms
- Form 473 (02/2020) Royal Bank of Canada Credit Agreement – Margined Accounts Standard Terms
- Form 473A (06/2021) Royal Bank of Canada Credit Agreement – RBC Covarity Terms and Conditions
- Form 473B (02/2020) Royal Bank of Canada Credit Agreement – Margined Accounts Standard Terms

® Registered trademark of Royal Bank of Canada.

**ACCEPTANCE**

This Agreement is open for acceptance until December 9, 2022, after which date it will be null and void, unless extended by the Bank in its sole discretion.

**ROYAL BANK OF CANADA**



Per: \_\_\_\_\_  
Title: Vice President

**RBC Contact: ANISHA MOMIN**

/bp

**CONFIRMATION & ACCEPTANCE**

The Borrower (i) confirms that it has received a copy of the Royal Bank of Canada Credit Agreement Standard Terms, Form 472, as well as all other standard terms which are hereinabove shown as having been delivered to the Borrower, all of which are incorporated in and form an integral part of this Agreement; and (ii) accepts and agrees to be bound by the terms and conditions of this Agreement including all terms and conditions contained in such standard terms.

Confirmed, accepted and agreed this 09 day of NOVEMBER, 2022.

**NORTH STAR FREIGHT FORWARDERS INC.**

Per: Inderjeet Singh Sekhon  
Name: INDERJEET SINGH SEKHON  
Title: DIRECTOR

Per: \_\_\_\_\_  
Name:  
Title:

I/We have the authority to bind the Borrower

# EXHIBIT “C”



## Royal Bank of Canada General Security Agreement

**SRF:**  
267584811

**BRANCH ADDRESS:**  
260 EAST BEAVER CREEK RD  
2ND FLR  
RICHMOND HILL, ON  
L4B 3M3

**BORROWER:**  
NORTH STAR FREIGHT FORWARDERS INC.

### 1. SECURITY INTEREST

a) For value received, the undersigned ("Debtor"), hereby grants to **ROYAL BANK OF CANADA** ("RBC"), a security interest (the "Security Interest") in the undertaking of Debtor and in all of Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities and all other Investment Property now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore (hereinafter collectively called "Collateral"), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:

- i) all Inventory of whatever kind and wherever situate;
- ii) all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
- iii) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor ("Debts");
- iv) all lists, records and files relating to Debtor's customers, clients and patients;
- v) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- vi) all contractual rights and insurance claims;
- vii) all patents, industrial designs, trade-marks, trade secrets and know-how including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively "Intellectual Property"); and
- viii) all property described in Schedule "C" or any schedule now or hereafter annexed hereto.

b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "Investment Property", "proceeds", "Inventory", "accession", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in The Personal Property Security Act of the province referred to in Clause 14(s), as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A., the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement and the term "Investment Property", if not defined in the P.P.S.A., shall be interpreted according to its meaning in the Personal Property Security Act (Ontario). Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

### 2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of Debtor to RBC (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness



of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and RBC shall be entitled to pursue full payment thereof.

### 3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

- a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges, licenses, leases, infringements by third parties, encumbrances or other adverse claims or interests (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption;
- b) all Intellectual Property applications and registrations are valid and in good standing and Debtor is the owner of the applications and registrations;
- c) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by Debtor to RBC from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against Debtor which can be asserted against RBC, whether in any proceeding to enforce Collateral or otherwise;
- d) the locations specified in Schedule "B" as to business operations and records are accurate and complete and with respect to Goods (including Inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for Goods in transit to such locations and Inventory on lease or consignment; and all fixtures or Goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situate at one of such locations; and
- e) the execution, delivery and performance of the obligations under this Security Agreement and the creation of any security interest in or assignment hereunder of Debtor's rights in the Collateral to RBC will not result in a breach of any agreement to which Debtor is a party.

### 4. COVENANTS OF THE DEBTOR

So long as this Security Agreement remains in effect Debtor covenants and agrees:

- a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all Encumbrances, except for the Security Interest, licenses which are compulsory under federal or provincial legislation and those shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption, and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of RBC; provided always that, until default, Debtor may, in the ordinary course of Debtor's business, sell or lease Inventory and, subject to Clause 7 hereof, use Money available to Debtor;
- b) to notify RBC promptly of:
  - i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral,
  - ii) the details of any significant acquisition of Collateral,
  - iii) the details of any claims or litigation affecting Debtor or Collateral,
  - iv) any loss or damage to Collateral,
  - v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral, and
  - vi) the return to or repossession by Debtor of Collateral;
- c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing by RBC; to apply to register all existing and future copyrights, trademarks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;
- d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by RBC of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable;

- f) to insure collateral in such amounts and against such risks as would customarily be insured by a prudent owner of similar Collateral and in such additional amounts and against such additional risks as RBC may from time to time direct, with loss payable to RBC and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor and deliver copies of policies and evidence of renewal to RBC on request;
- g) to prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement;
- h) to carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at RBC's request so as to indicate the Security Interest;
- i) to deliver to RBC from time to time promptly upon request:
- i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral,
  - ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same,
  - iii) all financial statements prepared by or for Debtor regarding Debtor's business,
  - iv) all policies and certificates of insurance relating to Collateral, and
  - v) such information concerning Collateral, the Debtor and Debtor's business and affairs as RBC may reasonably request.

## 5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that RBC shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner RBC may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as RBC may reasonably request in connection therewith and for such purpose to grant to RBC or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

## 6. SECURITIES, INVESTMENT PROPERTY

If Collateral at any time includes Securities, Debtor authorizes RBC to transfer the same or any part thereof into its own name or that of its nominee(s) so that RBC or its nominee(s) may appear of record as the sole owner thereof; provided that, until default, RBC shall deliver promptly to Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such Securities. After default, Debtor waives all rights to receive any notices or communications received by RBC or its nominee(s) as such registered owner and agrees that no proxy issued by RBC to Debtor or its order as aforesaid shall thereafter be effective.

Where any Investment Property is held in or credited to an account that has been established with a securities intermediary, RBC may, at any time after default, give a notice of exclusive control to any such securities intermediary with respect to such Investment Property.

## 7. COLLECTION OF DEBTS

Before or after default under this Security Agreement, RBC may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to RBC. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement, shall be received and held by Debtor in trust for RBC and shall be turned over to RBC upon request.

## 8. INCOME FROM AND INTEREST ON COLLATERAL

- a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral and if RBC receives any such Money prior to default, RBC shall either credit the same against the Indebtedness or pay the same promptly to Debtor.
- b) After default, Debtor will not request or receive any Money constituting income from or interest on Collateral and if Debtor receives any such Money without any request by it, Debtor will pay the same promptly to RBC.

## 9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

- a) Whether or not default has occurred, Debtor authorizes RBC:
  - i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and dealt with accordingly;

- ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor and to hold any such payment or distribution as part of Collateral.

b) If Debtor receives any such increase or profits (other than Money) or payments or distributions, Debtor will deliver the same promptly to RBC to be held by RBC as herein provided

## 10. DISPOSITION OF MONEY

Subject to any applicable requirements of the P.P.S.A., all Money collected or received by RBC pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as RBC deems best or, at the option of RBC, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of RBC hereunder, and any surplus shall be accounted for as required by law.

## 11. EVENTS OF DEFAULT

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

- a) the nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between Debtor and RBC;
- b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to Debtor, if an individual;
- c) the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy; the making of an assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee for Debtor or for any assets of Debtor or the institution by or against Debtor of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act or otherwise;
- d) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor;
- e) if any Encumbrance affecting Collateral becomes enforceable against Collateral;
- f) if Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;
- g) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if distress or analogous process is levied upon the assets of Debtor or any part thereof;
- h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to RBC to extend any credit to or to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to RBC at or prior to the time of such execution.

## 12. ACCELERATION

RBC, in its sole discretion, may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or if RBC considers itself insecure or that the Collateral is in jeopardy. The provisions of this clause are not intended in any way to affect any rights of RBC with respect to any Indebtedness which may now or hereafter be payable on demand.

## 13. REMEDIES

a) Upon default, RBC may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of RBC or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not RBC, and RBC shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by RBC, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to RBC. Every

such Receiver may, in the discretion of RBC, be vested with all or any of the rights and powers of RBC.

b) Upon default, RBC may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).

c) RBC may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, RBC may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to RBC may seem reasonable.

d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and RBC and in addition to any other rights RBC may have at law or in equity, RBC shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that RBC shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, RBC shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in RBC's possession and shall not be liable or accountable for failure to do so.

e) Debtor acknowledges that RBC or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from RBC or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.

f) Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by RBC or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by RBC or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

g) RBC will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the P.P.S.A..

h) Upon default and receiving written demand from RBC, Debtor shall take such further action as may be necessary to evidence and effect an assignment or licensing of Intellectual Property to whomever RBC directs, including to RBC. Debtor appoints any officer or director or branch manager of RBC upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, licence or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

#### 14. MISCELLANEOUS

a) Debtor hereby authorizes RBC to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situate) as RBC may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints the Manager or Acting Manager from time to time of the herein mentioned branch of RBC the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.

b) Without limiting any other right of RBC, whenever Indebtedness is immediately due and payable or RBC has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), RBC may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by RBC in any capacity, whether or not due, and RBC shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on RBC's records subsequent thereto.

c) Upon Debtor's failure to perform any of its duties hereunder, RBC may, but shall not be obligated to perform any or all of such duties, and Debtor shall pay to RBC, forthwith upon written demand therefor, an amount equal to the expense incurred by RBC in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 15% per annum.

d) RBC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as RBC may see fit without prejudice to the liability of Debtor or RBC's right to hold and realize the Security Interest. Furthermore, RBC may demand, collect and sue on Collateral in either Debtor's or RBC's name, at RBC's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral.

e) No delay or omission by RBC in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, RBC may remedy any default by Debtor hereunder or with respect

to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of RBC granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

f) Debtor waives protest of any Instrument constituting Collateral at any time held by RBC on which Debtor is in any way liable and, subject to Clause 13(g) hereof, notice of any other action taken by RBC.

g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against RBC. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.

h) RBC may provide any financial and other information it has about Debtor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or any one acting on behalf of the Bank.

i) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

j) Subject to the requirements of Clauses 13(g) and 14(k) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of RBC, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto, and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to RBC. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.

k) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by RBC and is intended to be a continuing Security Agreement and shall remain in full force and effect until the Manager or Acting Manager from time to time of the herein mentioned branch of RBC shall actually receive written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all Indebtedness contracted for or created before the receipt of such notice by RBC, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.

l) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.

m) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

n) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.

o) Nothing herein contained shall in any way obligate RBC to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.

p) The Security Interest created hereby is intended to attach when this Security Agreement is signed by Debtor and delivered to RBC.

q) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby:

- i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and
- ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to RBC at the time of amalgamation and any "Indebtedness" of the amalgamated company to RBC thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

r) In the event that Debtor is a body corporate, it is hereby agreed that The Limitation of Civil Rights Act of the Province of Saskatchewan, or any provision thereof, shall have no application to this Security Agreement or any agreement or instrument renewing or extending or collateral to this Security Agreement. In the event that Debtor is an agricultural corporation within the meaning of The Saskatchewan Farm Security Act, Debtor agrees with RBC that all of Part IV (other than Section 46) of that Act shall not apply to Debtor.

s) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the

laws of the province in which the herein branch of RBC is located, as those laws may from time to time be in effect, except if such branch of RBC is located in Quebec then, this Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

**15. COPY OF AGREEMENT**

- a) Debtor hereby acknowledges receipt of a copy of this Security Agreement.
- b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement registered by RBC or of any verification statement with respect to any financing statement or financing change statement registered by RBC. (Applies in all P.P.S.A. Provinces).

**16. Debtor represents and warrants that the following information is accurate:**

**BUSINESS DEBTOR**

NAME OF BUSINESS DEBTOR <b>NORTH STAR FREIGHT FORWARDERS INC.</b>			
ADDRESS OF BUSINESS DEBTOR <b>12949 INNIS LAKE RD</b>	CITY <b>CALEDON</b>	PROVINCE <b>ON</b>	POSTAL CODE <b>L7C 2Z5</b>

IN WITNESS WHEREOF executed this 09 day of NOVEMBER, 2022.

**NORTH STAR FREIGHT FORWARDERS INC.**

*Idisod Sepu*

Seal

Seal

SCHEDULE "A"

(ENCUMBRANCES AFFECTING COLLATERAL)

**SCHEDULE "B"**

**1. Locations of Debtor's Business Operations**

12949 INNIS LAKE RD

CALEDON

ON

CA

L7C 2Z5

**2. Locations of Records relating to Collateral (if different from 1. above)**

**3. Locations of Collateral (if different from 1. above)**



**SCHEDULE "C"**

**(DESCRIPTION OF PROPERTY)**

# EXHIBIT “D”



## Royal Bank of Canada Guarantee and Postponement of Claim

**SRF:**  
267584811

**BRANCH ADDRESS:**  
260 EAST BEAVER CREEK  
RD  
2ND FLR  
RICHMOND HILL, ON  
L4B 3M3

**BORROWER:**  
NORTH STAR FREIGHT FORWARDERS INC.

**TO: ROYAL BANK OF CANADA**

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Royal Bank of Canada (hereinafter called the "Bank") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by **NORTH STAR FREIGHT FORWARDERS INC.** (hereinafter called the "Customer") to the Bank or remaining unpaid by the Customer to the Bank, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Bank and the Customer or by or from any agreement or dealings with any third party by which the Bank may be or become in any manner whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the Customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "Liabilities"); the liability of the undersigned hereunder being limited to the sum of **\$1,800,000.00 One Million Eight Hundred Thousand Dollars** together with interest thereon from the date of demand for payment at a rate equal to the **Prime Interest Rate of the Bank plus 5.000 Five percent per annum** as well after as before default and judgment.

AND THE UNDERSIGNED AND EACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S) WITH THE BANK AS FOLLOWS:

- (1) The Bank may grant time, renewals, extensions, indulgences, releases and discharges to, take securities (which word as used herein includes securities taken by the Bank from the Customer and others, monies which the Customer has on deposit with the Bank, other assets of the Customer held by the Bank in safekeeping or otherwise, and other guarantees) from and give the same and any or all existing securities up to, abstain from taking securities from, or perfecting securities of, cease or refrain from giving credit or making loans or advances to, or change any term or condition applicable to the Liabilities, including without limitation, the rate of interest or maturity date, if any, or introduce new terms and conditions with regard to the Liabilities, or accept compositions from and otherwise deal with, the Customer and others and with all securities as the Bank may see fit, and may apply all moneys at any time received from the Customer or others or from securities upon such part of the Liabilities as the Bank deems best and change any such application in whole or in part from time to time as the Bank may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Bank from the Customer or others, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.
- (2) This guarantee shall be a continuing guarantee and shall cover all the Liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Bank.
- (3) The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities it may at any time hold before being entitled to payment from the undersigned of the Liabilities. The undersigned renounce(s) to all benefits of discussion and division.
- (4) The undersigned or any of them may, by notice in writing delivered to the Manager of the branch or agency of the Bank receiving this instrument, with effect from and after the date that is 30 days following the date of receipt by the Bank of such notice, determine their or his/her liability under this guarantee in respect of Liabilities thereafter incurred or arising but not in respect of any Liabilities theretofore incurred or arising even though not then matured, provided, however, that notwithstanding receipt of any such notice the Bank may fulfil any requirements of the Customer based on agreements express or implied made prior to the receipt of such notice and any resulting Liabilities shall be covered by this guarantee; and provided further that in the event of the determination of this guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.
- (5) All indebtedness and liability, present and future, of the customer to the undersigned or any of them are hereby assigned to the Bank and postponed to the Liabilities, and all moneys received by the undersigned or any of them in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way limiting or lessening the liability of the undersigned under the foregoing guarantee; and this assignment and postponement is independent of the said guarantee and shall remain in full effect notwithstanding that the liability of the undersigned or any of them under the said guarantee may be extinct. The term "Liabilities", as previously defined, for purposes of the postponement feature provided by this agreement, and this section in particular, includes any funds advanced or held at the disposal of the Customer under any line(s) of credit.

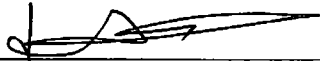
- (6) This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by any change in the name of the Customer or in the membership of the Customer's firm through the death or retirement of one or more partners or the introduction of one or more other partners or otherwise, or by the acquisition of the Customer's business by a corporation, or by any change whatsoever in the objects, capital structure or constitution of the Customer, or by the Customer's business being amalgamated with a corporation, but shall notwithstanding the happening of any such event continue to apply to all the Liabilities whether theretofore or thereafter incurred or arising and in this instrument the word "Customer" shall include every such firm and corporation.
- (7) This guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Bank, and all dividends, compositions, proceeds of security valued and payments received by the Bank from the Customer or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Bank or proceeds thereof, and the undersigned shall have no right to be subrogated in any rights of the Bank until the Bank shall have received payment in full of the Liabilities.
- (8) All monies, advances, renewals, credits and credit facilities in fact borrowed or obtained from the Bank shall be deemed to form part of the Liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents of the Customer, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals, credits or credit facilities, or any other reason, similar or not, the whole whether known to the Bank or not. Any sum which may not be recoverable from the undersigned on the footing of a guarantee, whether for the reasons set out in the previous sentence, or for any other reason, similar or not, shall be recoverable from the undersigned and each of them as sole or principal debtor in respect of that sum, and shall be paid to the Bank on demand with interest and accessories.
- (9) This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Bank, and any present or future obligation to the Bank incurred or arising otherwise than under a guarantee, of the undersigned or any of them or of any other obligant, whether bound with or apart from the Customer; excepting any guarantee surrendered for cancellation on delivery of this instrument or confirmed in writing by the Bank to be cancelled.
- (10) The undersigned and each of them shall be bound by any account settled between the Bank and the Customer, and if no such account has been so settled immediately before demand for payment under this guarantee any account stated by the Bank shall be accepted by the undersigned and each of them as conclusive evidence of the amount which at the date of the account so stated is due by the Customer to the Bank or remains unpaid by the Customer to the Bank.
- (11) This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Bank shall be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by the Bank each signatory thereof obtains from the Manager of the branch or agency of the Bank receiving this instrument a letter setting out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.
- (12) No suit based on this guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon any guarantor if and when an envelope containing such demand, addressed to such guarantor at the address of such guarantor last known to the Bank, is posted, postage prepaid, in the post office, and in the event of the death of any guarantor demand for payment addressed to any of such guarantor's heirs, executors, administrators or legal representatives at the address of the addressee last known to the Bank and posted as aforesaid shall be deemed to have been effectually made upon all of them. Moreover, when demand for payment has been made, the undersigned shall also be liable to the Bank for all legal costs (on a solicitor and own client basis) incurred by or on behalf of the Bank resulting from any action instituted on the basis of this guarantee. All payments hereunder shall be made to the Bank at a branch or agency of the Bank.
- (13) This instrument covers all agreements between the parties hereto relative to this guarantee and assignment and postponement, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein.
- (14) This guarantee and agreement shall extend to and enure to the benefit of the Bank and its successors and assigns, and every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or of each of them or of any of them, as the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.
- (15) Prime Interest Rate is the annual rate of interest announced from time to time by Royal Bank of Canada as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.
- (16) This Guarantee and Postponement of Claim shall be governed by and construed in accordance with the laws of the **Province of Ontario** ("Jurisdiction"). The undersigned irrevocably submits to the courts of the Jurisdiction in any action or proceeding arising out of or relating to this Guarantee and Postponement of Claim, and irrevocably agrees that all such actions and proceedings may be heard and determined in such courts, and irrevocably waives, to the fullest extent possible, the defense of an inconvenient forum. The undersigned agrees that a judgment or order in any such action or proceeding may be enforced in other jurisdictions in

any manner provided by law. Provided, however, that the Bank may serve legal process in any manner permitted by law or may bring an action or proceeding against the undersigned or the property or assets of the undersigned in the courts of any other jurisdiction.

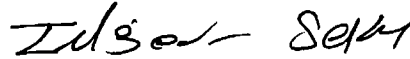
(17) The Undersigned hereby acknowledges receipt of a copy of this agreement.

(18) The Undersigned hereby waives Undersigned's right to receive a copy of any Financing Statement or Financing Change Statement registered by the Bank.

EXECUTED this 09 day of NOVEMBER, 2022.



WITNESS



INDERJEET SINGH SEKHON

Insert the full name and address of guarantor (Undersigned above).

<u>Full name and address</u>
INDERJEET SINGH SEKHON
12949 INNIS LAKE RD, CALEDON, ON L7C 2Z5

(Applicable in all P.P.S.A Provinces.)

# EXHIBIT “E”



<b>Registering Agent</b>	<b>Registering Agent</b>			
	D + H LIMITED PARTNERSHIP			
	<b>Address</b>	<b>City</b>	<b>Province</b>	<b>Postal Code</b>
	2 ROBERT SPECK PARKWAY, 15TH FLOOR	MISSISSAUGA	ON	L4Z 1H8

END OF FAMILY



<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	NORTH STAR FREIGHT FORWARDERS INC.								
<b>File Currency</b>	18JAN 2024								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
	792363114	2	2	2	3	14APR 2024			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
792363114		001	2		20230414 1104 2758 0887	R RSLA	01		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	MATTU BROS TRUCKING INC.								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	94 RIVER ROCK CRESCENT				BRAMPTON	ON	L7A 2W5		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
	01NOV1981	RAMAN			P	MATTU			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	94 RIVER ROCK CRESCENT				BRAMPTON	ON	L7A 2W5		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	2412115 ONTARIO INC. O/A DIESEL SOLUTIONS								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	21-2070 STEELES AVE EAST				BRAMPTON	ON	L6T 1A7		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
						X	8320		
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>	<b>V.I.N.</b>			
	2013	VOLVO			VVN	4V4NC9EH2DN144274			
<b>General Collateral Description</b>	<b>General Collateral Description</b>								
	COMPLETE WITH ALL PRESENT AND FUTURE ATTACHMENTS, ACCESSORIES, EXCHANGES, REPLACEMENT PARTS, REPAIRS, ADDITIONS AND ALL PROCEEDS THEREOF INCLUDING INSURANCE DISBURSEMENTS. 23-10378								
<b>Registering Agent</b>	<b>Registering Agent</b>								
	BDSL -23-10378								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	162 GUELPH ST UNIT 106				GEORGETOWN	ON	L7G 5X7		

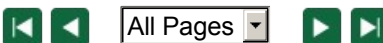
CONTINUED

Type of Search	Business Debtor								
Search Conducted On	NORTH STAR FREIGHT FORWARDERS INC.								
File Currency	18JAN 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	792363114	2	2	3	3	14APR 2024			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
792363114		002	2		20230414 1104 2758 0887				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	NORTH STAR FREIGHT FORWARDERS INC.								
	Address				City	Province	Postal Code		
	12949 INNIS LAKE RD				CALEDON	ON	L7C 2Z5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	CONCENTRA BANK								
	Address				City	Province	Postal Code		
	2055 ALBERT STREET				REGINA	SK	S4P 3G8		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

LAST PAGE

**Note: All pages have been returned.**

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# EXHIBIT “F”



**RBC Royal Bank**

October 17, 2023

**North Star Freight Forwarders Inc.**

11553 Tenth Line  
Halton Hills ON L7G 4S7

Dear Sirs/Mesdames:

Your Credit Facilities with Royal Bank of Canada

We are writing with reference to your above credit facilities as set out in the Credit Agreement dated November 09, 2022(the "Agreement").

Our recent review reveals that you are in default of the following covenant(s) under the terms of the Agreement for the fiscal period ended March 31, 2023 :

**"REPORTING REQUIREMENTS**

The Borrower will provide to the Bank:

- a) annual aged list of accounts receivable and aged list of accounts payable for the Borrower, within 90 days of each fiscal year end;
- b) annual review engagement financial statements for the Borrower, within 90 days of each fiscal year end;
- c) biennial personal statement of affairs for all Guarantors, who are individuals, within 90 days of the end of every second fiscal year of the Borrower, commencing with the fiscal year ending in 2023;"

According to our records, the Bank has yet to receive the aforementioned document(s).

The default is not acceptable and we require you to remedy the foregoing default prior to October 31 2023.

We retain all rights arising out of the default and reserve the right to demand payment of borrowings outstanding under the credit facilities if such default is not remedied by such date or if another breach of the Agreement should occur.

If you have any questions about your credit facilities or would like clarification of any of the above matters, please contact us immediately at the contact number provided below.

Yours truly,

Anisha Momin  
Senior Relationship Manager, Commercial Financial Services  
(416)317-4519

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®Registered trademark of Royal Bank of Canada. RBC and Royal Bank are registered trademarks of Royal Bank of Canada.

# EXHIBIT “G”

# Harrison Pensa

LAWYERS

**Timothy C. Hogan**

Direct Line: (519)-661-6743  
thogan@harrisonpensa.com

Assistant: Isabelle Stacey  
Direct Line: (519) 850-5573  
istacey@harrisonpensa.com

November 17, 2023

**Via Registered & Regular Mail & E-mail – [inder@nsforwarders.com](mailto:inder@nsforwarders.com)**

North Star Freight Forwarders Inc.  
12949 Innis Lake Road  
Caledon, ON L7C 2Z5

Dear Sir:

**Re: North Star Freight Forwarders Inc. to Indebtedness to the Royal Bank of Canada (the "Bank")  
Our File No. 199313**

We are the solicitors for the Bank with respect to loans provided to North Star Freight Forwarders Inc. (hereinafter the "**Debtor**").

According to the Bank's records, the Debtor is indebted to the Bank as at November 16, 2023 in the total sum of \$1,232,401.79 CAD and \$245,302.09 USD including all interest to November 16, 2023, plus all accruing interest, and plus the Bank's costs of enforcement on a solicitor and client basis (the "**Indebtedness**").

The Indebtedness is comprised of the following:

CAD Revolving Credit Line (ending in 001) (number subject to change)	\$1,232,401.79 CAD (per diem \$308.97)	
USD Revolving Credit Line (ending in 004) (number subject to change)		\$245,302.09 USD (per diem \$73.46)
<b>TOTAL</b>	<b>\$1,232,401.79 CAD</b>	<b>\$245,302.09 USD</b>

The Debtor is in default of certain agreements signed in favour of the Bank including, but not limited to, the following:

1. Royal Bank of Canada Credit Agreement dated November 9, 2022; and,
2. General Security Agreement dated November 9, 2022.

On behalf of the Bank, we hereby demand payment of the Indebtedness owing by the Debtor together with interest thereon to the date of payment.

Harrison Pensa LLP

130 Dufferin Avenue, Suite 1101, P.O. Box 3237, London, Ontario N6A 4K3 Phone: 519.679.9660 Fax: 519.667.3362  
harrisonpensa.com

Failing payment within ten (10) days will result in the Bank taking such steps as it considers necessary or appropriate to recover payment of the Debtor's Indebtedness and to protect its interest.

We advise that no intermediate acts, negotiations, indulgences or any continuing credit or provision of banking services shall act as a waiver to the Bank's rights, or demand for payment as set out herein, unless so expressly stated in writing.

The Bank expressly reserves its rights to take such further steps to protect its interest at any time, without further notice to the Debtor, if the Bank becomes aware of any matter which may impair its security. In addition, the Bank reserves the right to restrict or cancel all facilities at any time with no further notice and to place all bank accounts on deposit only.

Finally, also find attached to this letter our client's Notice of Intention to Enforce Security as well as the relevant consent to immediate enforcement of the Bank's security. By signing this consent the Debtor waives the time period given by the Bank under this notice.

Yours truly,

HARRISON PENSA <sup>LLP</sup>

A handwritten signature in black ink, appearing to be 'TCH' with a stylized flourish.

Timothy C. Hogan  
TCH/ist  
Enclosure

Cc: Inderjeet Singh Sekhon as guarantor

8353692\_1



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

TO: North Star Freight Forwarders Inc., an insolvent person

**TAKE NOTICE THAT:**

1. Royal Bank of Canada, a secured creditor, intends to enforce its security on the property of the insolvent person described as:

All collateral of the insolvent person as described in the following security and the proceeds from the sale of said collateral:

- a. General Security Agreement dated November 9, 2022.

The property to which the security relates includes, but is not limited to all real property, all personal property, including but not limited to all accounts, book debts, inventory, equipment, wherever located and all other collateral however described of the above-noted insolvent person and the proceeds thereof.

2. The security that is to be enforced is in the form of:

- a. General Security Agreement dated November 9, 2022.

3. The total amount of indebtedness secured by the security is \$1,232,401.78 CAD and \$245,302.09 USD as at November 16, 2023 plus interest as set out in the agreements, plus all costs of enforcement on a solicitor and client basis.

4. The secured creditor will not have the right to enforce its security until after the expiry of the 10 day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at London, Ontario this 17<sup>th</sup> day of November, 2023.

ROYAL BANK OF CANADA  
by its solicitors, Harrison Pensa LLP



Per: \_\_\_\_\_  
TIMOTHY C. HOGAN  
Harrison Pensa LLP  
130 Dufferin Avenue, Suite 1101  
London, ON N6A 4K3  
(519) 661-6743

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

**CONSENT**  
**(s.244(2) of the *Bankruptcy and Insolvency Act*)**

THE UNDERSIGNED hereby acknowledges receipt of a copy of Royal Bank of Canada's demand dated November 17, 2023, and the Notice of Intention to Enforce Security November 17, 2023 pursuant to s.244(1) of the *Bankruptcy and Insolvency Act* and hereby waives the 10 day period set out in the demand and notice and consents to the immediate enforcement Royal Bank of Canada's security.

DATED at \_\_\_\_\_, Ontario this \_\_\_\_\_ day of November, 2023.

**NORTH STAR FREIGHT FORWARDERS  
INC.**

Per: \_\_\_\_\_  
I have authority to bind the corporation

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Inderjeet Singh Sekhon

# Harrison Pensa

LAWYERS

**Timothy C. Hogan**

Direct Line: (519)-661-6743  
thogan@harrisonpensa.com

Assistant: Isabelle Stacey  
Direct Line: (519) 850-5573  
istacey@harrisonpensa.com

November 17, 2023

**Via Registered & Regular Mail & E-mail – [inder@nsforwarders.com](mailto:inder@nsforwarders.com)**

Inderjeet Singh Sekhon  
12949 Innis Lake Road  
Caledon, ON L7C 2Z5

Dear Sir/Ma'am:

**Re: North Star Freight Forwarders Inc. to Indebtedness to the Royal Bank of Canada (the "Bank")  
Our File No. 199313**

We are the solicitors for the Bank with respect to the loans provided to North Star Freight Forwarders Inc. (collectively, hereinafter the "**Debtors**").

According to the Bank's records, the Debtors are indebted to the Bank in the amount of \$1,232,401.79 CAD and \$245,302.09 USD as of November 16, 2023, together with accruing interest thereon, and the Bank's continuing costs of enforcement on a solicitor and client basis.

Pursuant to a Guarantee and Postponement of Claim executed by you on November 9, 2022, and limited to the sum of \$1,800,00.00, you are liable to pay the full amount owing on the guarantee being \$1,800,00.00, together with accruing interest thereon and the Bank's continuing costs of enforcement (the "**Indebtedness**").

On behalf of the Bank, we hereby demand payment of the Indebtedness together with interest thereon to the date of payment, within ten (10) days of the date of this letter.

Failing to make payment within ten (10) days will result in the Bank taking such steps as it considers necessary or appropriate to recover payment of the Indebtedness and to protect its interest.

We advise that no intermediate acts, negotiations or indulgences shall act as a waiver to the Bank's rights, or demand for payment as set out herein, unless so expressly stated in writing.

Harrison Pensa LLP

Yours truly,

HARRISON PENSA <sup>LLP</sup>

A handwritten signature in black ink, appearing to be 'TCH' with a stylized flourish.

Timothy C. Hogan  
TCH/ist

8353784\_1

Security of Registered Receipt (Bulk)

This receipt is necessary if enquiry is desired. Fragile and perishable articles are not indemnified against damage. Idemnity and fees information is available on request from your Postal Outlet.

Réception (en nombre) Sécurité ou Recommandé

À produire en cas de réclamation. Aucune indemnité ne sera versée pour l'avarie d'un objet fragile ou périssable. Vous pouvez obtenir des renseignements sur les indemnités et les droits à votre installation postale.

Sender Expéditeur

Sender Instructions

Note: Bulk Receipt is to be completed for 3 or more items. Present mailings at any Postal Outlet.

- A Complete and remove customer receipt. B Remove paper backing from receipt. C Affix receipt to this form. D Remove bottom bar code and affix to "Trace Mail Data Capture Document" E Remove paper backing from label F Apply label to envelope

Instructions pour l'expéditeur

Avis: Réception en nombre, pour 3 items et plus. Doit être complété avant de déposer à l'installation postale.

- A Remplissez et retirez le récépissé du client. B Retirez la pellicule protectrice du récépissé. C Collez le récépissé sur cette formule. D Retirez le code à barres du bas et l'apposez sur le "Document de saisie des données" pour le courrier repérable. E Retirez la pellicule de l'étiquette. F Collez l'étiquette sur l'enveloppe

Harrison Pensa

130 Dufferin Avenue, Suite 1101 London, ON N6A 5R2

Date: November 17, 2023

File: RBC/North Star Freight Forwarders Inc. (199313/TCH)

Main form area containing 4 rows of shipping labels (1, 4, 7, 10, 11, 15) with recipient addresses, declared values, and tracking numbers. Includes 'REGISTERED DOMESTIC' and 'RECOMMANDÉ RÉGIME INTÉRIEUR' logos, and 'CANADA POST' stamps with dates like 17-11-2023 and 105724.

# EXHIBIT “H”

---

**From:** Tim Hogan  
**Sent:** Tuesday, November 28, 2023 2:24 PM  
**To:** inder@nsforwarders.com  
**Cc:** Leung, Kevin  
**Subject:** FW: Indebtedness of North Star Freight Forwarders Inc. to Royal Bank of Canada [IWOV-HPMain.FID728883]  
**Attachments:** Demand Lt.PDF; Demand on Guarantee.PDF

Good afternoon

Following on the below e-mail, we confirm that the notice period under the demand and notice issued to North Star Freight Forwarders Inc. dated November 17, 2023, has now expired.

Please be advised that the Bank is now providing forbearance, credit and banking services on a day-to-day basis in its discretion. This forbearance, credit and banking services can be terminated with no further notice and the Bank continues to rely on the demand and notice issued and does reserve all rights.

Thank-you.

**Tim Hogan** | [HARRISON PENZA LLP](#) | [130 Dufferin Avenue, Suite 1101, London, ON N6A 5R2](#) | *tel* 519-661-6743 | *fax* 519-667-3362 | [thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com) Assistant | Aimee Newman | *tel* 519-850-5568 | [anewman@harrisonpensa.com](mailto:anewman@harrisonpensa.com)

This e-mail may contain information that is privileged or confidential. If you are not the intended recipient, please delete the e-mail and any attachments and notify us immediately

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**From:** Emma Benaway <ebenaway@harrisonpensa.com>  
**Sent:** Friday, November 17, 2023 2:16 PM  
**To:** inder@nsforwarders.com  
**Cc:** Tim Hogan <thogan@harrisonpensa.com>; Isabelle Stacey <istacey@harrisonpensa.com>  
**Subject:** Indebtedness of North Star Fright Forwarders Inc. to Royal Bank of Canada [IWOV-HPMain.FID728883]

Good afternoon,

Please find attached our correspondence of today's date, which is also being delivered to you by way of registered and regular mail.

Regards,  
Emma

**Emma Benaway** | Law Clerk | [HARRISON PENZA LLP](#) | [130 Dufferin Avenue, Suite 1101, London, ON, N6A 5R2](#) | *tel* 226-797-4842 | *fax* 519-667-3362 | [ebenaway@harrisonpensa.com](mailto:ebenaway@harrisonpensa.com)

This e-mail may contain information that is privileged or confidential. If you are not the intended recipient, please delete the e-mail and any attachments and notify us immediately.

# EXHIBIT “I”



---

**Subject:**

RE: FW: Indebtedness of North Star Freight Forwarders Inc. to Royal Bank of Canada  
[IWOV-HPMain.FID728883]

On Tue, Nov 28, 2023 at 2:57 PM Leung, Kevin <[kevin.leung@rbc.com](mailto:kevin.leung@rbc.com)> wrote:

Hi Inder,

As discussed, the company is given a day by day forbearance. At this time we're collecting information to assess the company's ability to service the loan. Please provide the following by Dec. 6, 2023:

- 1) Company prepared P&L and balance sheet for fiscal year ended Mar. 31, 2023
- 2) Company prepared P&L and balance sheet for periods Apr. 1, 2023 to present
- 3) Most recent Statement of Account from CRA relating to RT0001 HST and RP0001 payroll source deductions
- 4) Monthly aged A/R reporting for months ended April, May, June, July, August, September, October and November 2023
- 5) Update personal statement of affairs signed and dated (template is attached)
- 6) Accountant prepared compilation engagement financial statements for FYE Mar. 31, 2023 when completed

Regards,

**Kevin Leung** | Senior Manager, Special Loans & Advisory Services | **Royal Bank of Canada**

: (416) 974-7641 | : [kevin.leung@rbc.com](mailto:kevin.leung@rbc.com)

---

**From:** Tim Hogan [mailto:[thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)]

**Sent:** Tuesday, November 28, 2023 2:24 PM

**To:** [inder@nsforwarders.com](mailto:inder@nsforwarders.com)

**Cc:** Leung, Kevin <[kevin.leung@rbc.com](mailto:kevin.leung@rbc.com)>

**Subject:** FW: Indebtedness of North Star Freight Forwarders Inc. to Royal Bank of Canada [IWOV-HPMain.FID728883]

# EXHIBIT “J”

---

**Subject:** RE: FW: Indebtedness of North Star Freight Forwarders Inc. to Royal Bank of Canada [IWOV-HPMain.FID728883]

---

**From:** Amandeep Singh [<mailto:info@goldengooseadvisory.com>]

**Sent:** Wednesday, December 6, 2023 11:14 AM

**To:** Leung, Kevin <[kevin.leung@rbc.com](mailto:kevin.leung@rbc.com)>

**Cc:** Inder <[inder@nsforwarders.com](mailto:inder@nsforwarders.com)>; Momin, Anisha <[anisha.momin@rbc.com](mailto:anisha.momin@rbc.com)>; Golden Goose Customer Service <[cs@goldengooseadvisory.com](mailto:cs@goldengooseadvisory.com)>

**Subject:** Re: FW: Indebtedness of North Star Freight Forwarders Inc. to Royal Bank of Canada [IWOV-HPMain.FID728883]

[External]/[Externe]

Hi Kevin

We are still collecting the required information please give us time till eod friday to submit required documents

Regards

Amandeep Singh

On Tue, Nov 28, 2023 at 2:57 PM Leung, Kevin <[kevin.leung@rbc.com](mailto:kevin.leung@rbc.com)> wrote:

Hi Inder,

As discussed, the company is given a day by day forbearance. At this time we're collecting information to assess the company's ability to service the loan. Please provide the following by Dec. 6, 2023:

- 1) Company prepared P&L and balance sheet for fiscal year ended Mar. 31, 2023
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- 3) Most recent Statement of Account from CRA relating to RT0001 HST and RP0001 payroll source deductions
- 4) Monthly aged A/R reporting for months ended April, May, June, July, August, September, October and November 2023
- 5) Update personal statement of affairs signed and dated (template is attached)
- 6) Accountant prepared compilation engagement financial statements for FYE Mar. 31, 2023 when completed

# EXHIBIT “K”

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**Subject:** RE: FW: Indebtedness of North Star Freight Forwarders Inc. to Royal Bank of Canada [IWOV-HPMain.FID728883]

---

**From:** Leung, Kevin  
**Sent:** Thursday, December 7, 2023 1:53 PM  
**To:** 'Amandeep Singh' <[info@goldengooseadvisory.com](mailto:info@goldengooseadvisory.com)>  
**Cc:** Inder <[inder@nsforwarders.com](mailto:inder@nsforwarders.com)>; Momin, Anisha <[anisha.momin@rbc.com](mailto:anisha.momin@rbc.com)>; Golden Goose Customer Service <[cs@goldengooseadvisory.com](mailto:cs@goldengooseadvisory.com)>  
**Subject:** RE: FW: Indebtedness of North Star Freight Forwarders Inc. to Royal Bank of Canada [IWOV-HPMain.FID728883]

Hi Amandeep,

Thanks for the update. Deadline extended until EOD Friday.

**Kevin Leung** | Senior Manager, Special Loans & Advisory Services | **Royal Bank of Canada**  
☎: (416) 974-7641 | ✉: [kevin.leung@rbc.com](mailto:kevin.leung@rbc.com)

---

**From:** Amandeep Singh [<mailto:info@goldengooseadvisory.com>]  
**Sent:** Wednesday, December 6, 2023 11:14 AM  
**To:** Leung, Kevin <[kevin.leung@rbc.com](mailto:kevin.leung@rbc.com)>  
**Cc:** Inder <[inder@nsforwarders.com](mailto:inder@nsforwarders.com)>; Momin, Anisha <[anisha.momin@rbc.com](mailto:anisha.momin@rbc.com)>; Golden Goose Customer Service <[cs@goldengooseadvisory.com](mailto:cs@goldengooseadvisory.com)>  
**Subject:** Re: FW: Indebtedness of North Star Freight Forwarders Inc. to Royal Bank of Canada [IWOV-HPMain.FID728883]

[External]/[Externe]

Hi Kevin

We are still collecting the required information please give us time till eod friday to submit required documents

Regards

Amandeep Singh

On Tue, Nov 28, 2023 at 2:57 PM Leung, Kevin <[kevin.leung@rbc.com](mailto:kevin.leung@rbc.com)> wrote:

Hi Inder,

As discussed, the company is given a day by day forbearance. At this time we're collecting information to assess the company's ability to service the loan. Please provide the following by Dec. 6, 2023:

- 1) Company prepared P&L and balance sheet for fiscal year ended Mar. 31, 2023
- 2) Company prepared P&L and balance sheet for periods Apr. 1, 2023 to present

# EXHIBIT “L”

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**Subject:** RE: FW: Indebtedness of North Star Freight Forwarders Inc. to Royal Bank of Canada [IWOV-HPMain.FID728883]

---

**From:** Leung, Kevin  
**Sent:** Wednesday, December 13, 2023 8:03 AM  
**To:** 'Amandeep Singh' <[info@goldengooseadvisory.com](mailto:info@goldengooseadvisory.com)>  
**Cc:** 'Inder' <[inder@nsforwarders.com](mailto:inder@nsforwarders.com)>; 'Golden Goose Customer Service' <[cs@goldengooseadvisory.com](mailto:cs@goldengooseadvisory.com)>  
**Subject:** RE: FW: Indebtedness of North Star Freight Forwarders Inc. to Royal Bank of Canada [IWOV-HPMain.FID728883]

Hi Amandeep,

Could you please provide an update regarding the below deliverables?

Thanks,

**Kevin Leung** | Senior Manager, Special Loans & Advisory Services | **Royal Bank of Canada**  
☎: (416) 974-7641 | ✉: [kevin.leung@rbc.com](mailto:kevin.leung@rbc.com)

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**From:** Leung, Kevin  
**Sent:** Thursday, December 7, 2023 1:53 PM  
**To:** 'Amandeep Singh' <[info@goldengooseadvisory.com](mailto:info@goldengooseadvisory.com)>  
**Cc:** Inder <[inder@nsforwarders.com](mailto:inder@nsforwarders.com)>; Momin, Anisha <[anisha.momin@rbc.com](mailto:anisha.momin@rbc.com)>; Golden Goose Customer Service <[cs@goldengooseadvisory.com](mailto:cs@goldengooseadvisory.com)>  
**Subject:** RE: FW: Indebtedness of North Star Freight Forwarders Inc. to Royal Bank of Canada [IWOV-HPMain.FID728883]

Hi Amandeep,

Thanks for the update. Deadline extended until EOD Friday.

**Kevin Leung** | Senior Manager, Special Loans & Advisory Services | **Royal Bank of Canada**  
☎: (416) 974-7641 | ✉: [kevin.leung@rbc.com](mailto:kevin.leung@rbc.com)

---

**From:** Amandeep Singh [<mailto:info@goldengooseadvisory.com>]  
**Sent:** Wednesday, December 6, 2023 11:14 AM  
**To:** Leung, Kevin <[kevin.leung@rbc.com](mailto:kevin.leung@rbc.com)>  
**Cc:** Inder <[inder@nsforwarders.com](mailto:inder@nsforwarders.com)>; Momin, Anisha <[anisha.momin@rbc.com](mailto:anisha.momin@rbc.com)>; Golden Goose Customer Service <[cs@goldengooseadvisory.com](mailto:cs@goldengooseadvisory.com)>  
**Subject:** Re: FW: Indebtedness of North Star Freight Forwarders Inc. to Royal Bank of Canada [IWOV-HPMain.FID728883]

[External]/[Externe]

Hi Kevin

We are still collecting the required information please give us time till eod friday to submit required documents

Regards

Amandeep Singh

# Exhibit “M”



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**From:** Tim Hogan <thogan@harrisonpensa.com>  
**Sent:** Thursday, January 11, 2024 2:15 PM  
**To:** info@goldengooseadvisory.com  
**Cc:** Leung, Kevin  
**Subject:** FW: Indebtedness of North Star Freight Forwarders Inc. (the "Borrower") to Royal Bank of Canada ("RBC") [IWOV-HPMain.FID728883]  
**Attachments:** FW: Indebtedness of North Star Freight Forwarders Inc. to Roya...FID728883] (842 KB)

Good afternoon,

As you are aware we are counsel for RBC.

This follows the demand and notice issued by the Bank dated November 17, 2023 and our e-mail of November 28, 2023, a copy of which is attached.

This also follows the Bank's e-mail of December 13, 2023, to which no response is recorded.

The Bank has concerns as to its position with the Borrower, and is now terminating forbearance, credit and banking services.

The Bank will be applying to the Court for an Order appointing a Receiver over the Property of the Borrower, and you will receive notice of this Court application.

Please have you lawyer contact us as soon as possible.

Thank-you.

**Tim Hogan** | [HARRISON PENZA LLP](#) | [130 Dufferin Avenue, Suite 1101, London, ON N6A 5R2](#) | *tel*/ 519-661-6743  
| *fax* 519-667-3362 | [thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com) Assistant | Aimee Newman | *tel*/ 519-850-5568 |  
[anewman@harrisonpensa.com](mailto:anewman@harrisonpensa.com)

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**From:** Leung, Kevin  
**Sent:** Wednesday, December 13, 2023 8:03 AM  
**To:** 'Amandeep Singh' <[info@goldengooseadvisory.com](mailto:info@goldengooseadvisory.com)>  
**Cc:** 'Inder' <[inder@nsforwarders.com](mailto:inder@nsforwarders.com)>; 'Golden Goose Customer Service' <[cs@goldengooseadvisory.com](mailto:cs@goldengooseadvisory.com)>  
**Subject:** RE: FW: Indebtedness of North Star Freight Forwarders Inc. to Royal Bank of Canada [IWOV-HPMain.FID728883]

Hi Amandeep,

Could you please provide an update regarding the below deliverables?

Thanks,

**Kevin Leung** | Senior Manager, Special Loans & Advisory Services | **Royal Bank of Canada**  
: (416) 974-7641 | : [kevin.leung@rbc.com](mailto:kevin.leung@rbc.com)

ROYAL BANK OF CANADA

-and-

NORTH STAR FREIGHT FORWARDERS INC.

Applicant

Respondent

Court File No. CV-24-00000592-0000

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**ONTARIO  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT  
BRAMPTON, ONTARIO

---

**AFFIDAVIT OF KEVIN LEUNG**

---

**HARRISON PENZA<sup>LLP</sup>**

Barristers and Solicitors  
130 Dufferin Avenue, Suite 1101  
London, Ontario N6A 5R2

**Timothy C. Hogan (LSO #36553S)**  
**Robert Danter (LSO #69806O)**

Tel: (519) 679-9660  
Fax: (519) 667-3362  
Email: [thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)  
[rdanter@harrisonpensa.com](mailto:rdanter@harrisonpensa.com)

Solicitors for the Applicant,  
The Royal Bank of Canada

ROYAL BANK OF CANADA

-and-

NORTH STAR FREIGHT FORWARDERS INC.

Applicant

Respondent

Court File No. CV-24-00000529-0000

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**ONTARIO  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT  
BRAMPTON, ONTARIO

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**APPLICATION RECORD**

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**HARRISON PENZA<sup>LLP</sup>**

Barristers and Solicitors  
130 Dufferin Avenue, Suite 1101  
London, Ontario N6A 5R2

**Timothy C. Hogan (LSO #36553S)**  
**Robert Danter (LSO #69806O)**

Tel: (519) 679-9660  
Fax: (519) 667-3362  
Email: [thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)  
[rdanter@harrisonpensa.com](mailto:rdanter@harrisonpensa.com)

Solicitors for the Applicant,  
Royal Bank of Canada