

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

**IN THE MATTER OF THE RECEIVERSHIP OF BARTIA TRANSPORT INC, operating as BLB
TRANSPORT GROUP, GATT LOGISTICS INC., SARBJIT KAUR, and CARL DWAIN GATT**

Respondents

**AND IN THE MATTER OF A MOTION PURSUANT TO THE SUBSECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. c. B-3, AS AMENDED, AND SECTION 101
OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

FIRST REPORT OF THE RECEIVER

NOVEMBER 27, 2020



200 King Street West, 11th Floor
Toronto, Ontario, M5H 3T4

TABLE OF CONTENTS

INTRODUCTION AND BACKGROUND	1
DISCLAIMER	2
PURPOSE OF THE FIRST REPORT	2
RECEIVER'S ACTIVITIES	3
SALE OF EQUIPMENT	4
Confidential Appendices	7
RECOMMENDATION	7

INDEX OF APPENDICES

Appendix 1	Receivership Order dated October 27, 2020
Appendix 2	Affidavit of Peter Gordon sworn October 23, 2020 (without exhibits)
Appendix 3	Comparison of Lease Pay Out Values to Appraised Values
Appendix 4	Redacted Sale Agreement

CONFIDENTIAL APPENDICES

Confidential Appendix 1	Premises Equipment Appraisal
Confidential Appendix 2	RBC Equipment Appraisal
Confidential Appendix 3	Summary of Offers
Confidential Appendix 4	Unredacted Sale Agreement

Court File No. CV-20-00649943-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE RECEIVERSHIP OF BARTIA TRANSPORT INC, operating as BLB
TRANSPORT GROUP, GATT LOGISTICS INC., SARBJIT KAUR, and CARL DWAIN GATT

Respondents

AND IN THE MATTER OF A MOTION PURSUANT TO THE SUBSECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. c. B-3, AS AMENDED, AND SECTION 101
OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

FIRST REPORT OF THE RECEIVER

NOVEMBER 20, 2020

INTRODUCTION AND BACKGROUND

1. This Report is filed by Grant Thornton Limited ("**GTL**") in its capacity as the receiver (the "**Receiver**") over the property, assets and undertakings of Bartia Transport Inc. operating as BLB Transport Group ("**Bartia**"), and Gatt Logistics Inc. ("**Gatt**"), collectively, (the "**Debtors**").
2. GTL was appointed as the Receiver of the Debtors on October 27, 2020, by an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). A copy of the receivership order and endorsement (the "**Receivership Order**") is attached hereto as **Appendix "A"**.
3. Background information pertaining to the Debtors, including the circumstances leading to the appointment of the Receiver, are contained in the affidavits of Peter Gordon sworn October 23, 2020 (the "**Gordon Affidavit**") in support of Royal Bank of Canada's ("**RBC**")

application for the appointment of the Receiver. A copy of the Gordon Affidavit, without appendices, is attached hereto as **Appendix “2”** and are accessible on the Receiver’s case website at www.GrantThornton.ca/Bartia. RBC is the primary secured creditor of the Debtors.

4. Materials related to these receivership proceedings can be found on the website maintained by the Receiver at www.GrantThornton.ca/Bartia.

DISCLAIMER

5. In preparing this report, the Receiver has reviewed certain unaudited financial information and certain financial information related to the Debtors. While the Receiver has performed a preliminary review of available books and records of the Debtors, such review does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Auditing Standards (“**GAAS**”) or International Financial Reporting Standards (“**IFRS**”). Accordingly, the Receiver expresses no opinion or other form of assurance pursuant to GAAS or IFRS with respect to such information.
6. This report has been prepared for the use of this Court as general information to assist the Court in making a determination of whether to approve the relief sought by the Receiver, in respect of motion that is scheduled to be heard by the Court on December 1, 2020. Accordingly, the reader is cautioned that this report may not be appropriate for any other purpose.
7. All references to dollars in this report are in Canadian currency, unless otherwise noted.

PURPOSE OF THE FIRST REPORT

8. The purpose of this, the Receiver’s first report to Court (the “**First Report**”) is to advise the Court on the Receiver’s activities since its appointment and to provide information to the Court pertaining to the Receiver’s request for an Order, *inter alia*,
 - a) approving the First Report and the activities of the Receiver described therein;

- b) approving the Sale Transaction in connection with the Purchased Assets (as defined herein) and authorizing and directing the Receiver to complete the Transaction (as defined herein); and
- c) sealing certain Confidential Appendices to the First Report;

RECEIVER'S ACTIVITIES

9. The following section provides details of the Receiver's activities to the date of this First Report. During such period the Receiver:
- a) prepared reports pursuant to sections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* and mailed notices to all creditors;
 - b) arranged for mail re-direction to the Receiver office;
 - c) engaged legal counsel to review equipment lease agreements to determine if the leases were valid and enforceable;
 - d) arranged for retrieval and storage of the records of Debtors from its leased premises;
 - e) obtained an appraisal of the Debtors' equipment;
 - f) issued letters to certain lessors releasing the Receiver's interest in certain leased assets where the Receiver determined that the lease agreements were valid and enforceable and the lease payout amounts exceeded the appraised value of the leased equipment;
 - g) disclaimed the Debtors' lease for the premises located at 5380 Walker Road, Windsor, Ontario (the "**Premises**").
 - h) arranged for all equipment not released to lessors to be moved to a storage facility;
 - i) reviewed accounts payable listing and prepared listing of creditors;
 - j) opened a receivership bank account and deposited cheque received from customers as well as the balance of funds in Debtor's bank accounts at RBC;

- k) administered the Wage Earner Protection Program for the former Company's employees;
- l) contacted utility and insurance providers to terminate services;
- m) contacted email service provider to remove all access by all the Debtor's employees;
- n) prepared and sent accounts receivable signification letters to all customers;
- o) corresponded with CRA on HST obligations;
- p) conducted the sale process for the Debtors' equipment as detailed below; and,
- q) negotiated a sale of the Purchased Assets subject to approval of this Honourable Court.

SALE OF EQUIPMENT

10. The Company had ceased to operate prior to the Receiver being appointed and RBC arranged for the Debtors to deliver all the equipment leased by RBC to Syl-Mar Management, a liquidator located in Burford, Ontario (the "**RBC Leased Equipment**").
11. Upon being appointed the Receiver attended at the Premises and took inventory of the equipment located at the Premises. The Debtors' advised that one tractor and one trailer were owned the Debtors (the "**Owned Equipment**") and the remaining equipment (the "**Other Leased Equipment**") was subject to the security of the Bank of Montreal, Daimler Truck Financial, Wells Fargo Equipment Finance Company and De Lage Landen Financial Services Canada Inc. (collectively, the "**Lessors**").
12. The Receiver arranged for Syl-Mar Management to provide an appraisal of all the equipment located at the Premises and to move the Owned Equipment to Syl-Mar Management's facility (the "**Premises Equipment Appraisal**"). A copy of the Premises Equipment Appraisal is attached hereto as **Confidential Appendix "1"**.

13. The Receiver obtained copies of all the Lessors' leases and lease payout statements and obtained an independent security review of each of the Lessors' leases. The Receiver's counsel has opined, subject to the usual qualifications and assumptions, that the Lessor's security agreements related to the leases are both valid and enforceable.
14. The Receiver prepared a summary table comparing the payout value of each of the Lessor's leases compared to the appraised value of the corresponding piece of leased equipment. A copy of the comparison summary is attached hereto as **Appendix "3"**.
15. The payout amount for each of the Lessor's leases exceeded the value of the related leased equipment. The Receiver therefore released its interest in the assets subject to the Lessors' leases and advised the Lessors to make arrangements to retrieve their leased equipment.
16. The Receiver also arranged for Syl-Mar Management to provide an appraisal of the RBC Leased Equipment (the "**RBC Equipment Appraisal**"). A copy of the RBC Equipment Appraisal is attached hereto as **Confidential Appendix "2"**.
17. Carl Gatt ("**Mr. Gatt**"), the principal of the Debtors, acting as agent for an interested purchaser, provided the Receiver with an offer to purchase the RBC Leased Equipment and the Owned Equipment (collectively, the "**Purchased Assets**"). The offer was conditional on RBC releasing Mr. Gatt from his personal guarantee and the value of the offer was significantly lower than the appraised value of the Purchased Assets (the "**Mr. Gatt's Initial Offer**"). The Receiver therefore rejected Mr. Gatt's Initial Offer.
18. The Receiver sent the listing of Purchased Assets to four liquidators, the principal of the Debtor, and another transportation company that had expressed interest in the equipment

and asked each to submit purchase/liquidation proposals to the Receiver by 12:00PM, November 25, 2020 (the “**Offer Deadline**”).

19. The Receiver received five proposals by the Offer Deadline. A comparative summary of the details of the offers, including Mr. Gatt’s Initial Offer, is attached hereto as **Confidential Appendix “3”**.
20. The highest offer was presented by Mr. Gatt on behalf of Ready Go Transport Inc. (the “**Purchaser**”) and included a condition that RBC release Mr. Gatt from his personal guarantee. Mr. Gatt later agreed to remove this condition from the offer. Details of the proposed selling price are also provided in Confidential Appendix “3”.
21. The Receiver and the Purchaser have signed a sale agreement which is conditional on Court approval (the “**Sale Agreement**”), a copy of which, redacted to remove the selling price, is attached hereto as **Appendix “4”**. An unredacted copy of the Sale Agreement is attached hereto as **Confidential Appendix “4”**. If the Court grants the relief sought in this motion, the Receiver proposes to complete the sale of the Purchased Assets to the Purchaser in accordance with the Sale Agreement (the “**Transaction**”).
22. The Transaction value exceeds the sale value threshold as stated in the Receivership Order therefore the Receiver respectfully requests that the Court issue an order authorizing and directing the Receiver to complete the Transaction, and, on closing of the Transaction, vesting in the Purchaser all of the Receiver’s right, title and interest, if any, in and to the Purchased Assets free and clear of all claims and encumbrances of any kind.
23. The Receiver has reviewed this discussed this matter with RBC who is supportive of the Receiver’s recommendation. It is anticipated based on information currently available to the Receiver that RBC will be suffering a shortfall on the amounts owed to it by the Debtors.

24. The Receiver is incurring daily storage fees on the Purchased Equipment therefore the Receiver is attempting to close the sale as soon as possible in order to avoid unnecessary costs.
25. The Receiver had initially intended to serve this motion on November 25, 2020. The Receiver had to delay service of the record due to the last minute negotiations with the Purchaser and the delivery of the deposit called for under the Sale Agreement.

Confidential Appendices

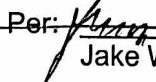
26. The Receiver is of the view that Confidential Appendices 1, 2, 3 and 4 should be sealed and remain sealed until the earlier of the completion of the Transaction or further order of the Court as the information contained therein is commercially sensitive and could prejudice the sale of the Purchased Assets in the event the Transaction does not close. The Receiver does not believe that any party will suffer prejudice if the Confidential Appendices are sealed in this manner.

RECOMMENDATION

27. Based upon the foregoing, the Receiver respectfully requests that the Court issue an order providing the relief set out in paragraph 8 hereof.

All of which is respectfully submitted,

GRANT THORNTON LIMITED,
solely in its capacity as Court Appointed Receiver of
Bartia Transport Inc. and Gatt Logistics Inc.
and not in its personal or corporate capacity

Per: 
Jake Wiebe, CPA, CA, CRRP, LIT
Senior Vice-President

TAB 1

RBC

v.

BARTIA TRANSPORT INC.

- ① This Motion which is
on consent is granted
on the terms of the
attached Order appointing
a Receiver.

Haring J.

October 27, 2020

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.

)

TUESDAY, THE 27TH

JUSTICE HAINEY

)

DAY OF OCTOBER, 2020

BETWEEN:

ROYAL BANK OF CANADA

Plaintiff

- and -

**BARTIA TRANSPORT INC. operating as BLB TRANSPORT GROUP, GATT
LOGISTICS INC., SARBJIT KAUR, and CARL DWAIN GATT**

Defendant

**ORDER
(appointing Receiver)**

THIS MOTION made by the Plaintiff 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 Grant Thornton Limited as receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Bartia Transport Inc. operating as BLB Transport Group and Gatt Logistics Inc. (collectively, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, was heard this day via Zoom video conference as a result of the COVID-19 pandemic.

ON READING the affidavit of Peter Gordon sworn October 23, 2020 and the Exhibits thereto and on hearing the submissions of counsel for Royal Bank of Canada, no one appearing for the Debtors although duly served as appears from the affidavits of service of Christine Cavarzan and Jeff Medeiros sworn October 23, 2020, and on

consent of the Debtors, and on reading the consent of Grant Thornton Limited to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion 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, Grant Thornton Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, 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 Debtors, 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 Debtors;
- (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 Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (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 Debtors, 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 Debtors, 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 \$250,000.00, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000.00; 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, 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 Debtors;

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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 Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtors, (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.

5. **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 Debtors, 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.

6. **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.

7. **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

8. **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 DEBTORS OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtors 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 Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the Debtors, 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 Debtors to carry on any business which the Debtors are 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

11. **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 Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtors 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 Debtors 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 Debtors' 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 Debtors 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

13. **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

14. **THIS COURT ORDERS** that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' 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

15. **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 Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. **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

17. **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

18. **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.

19. **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.

20. **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

21. **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 \$100,000.00 (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.

22. **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.

23. **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.

24. **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

25. **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 www.GrantThornton.ca/Bartia.

26. **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 Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors 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

27. **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.

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

29. **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.

30. **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.

31. **THIS COURT ORDERS** that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's

security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

32. **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. **THIS COURT ORDERS** that this order is effective from today's date and is hereby enforceable without the need for entry and filing.

A handwritten signature in blue ink, appearing to read "Honey", is written over a horizontal line. The signature is stylized and cursive.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Grant Thornton Limited, the receiver (the "**Receiver**") of the assets, undertakings and properties Bartia Transport Inc. operating as BLB Transport Group and Gatt Logistics Inc. acquired for, or used in relation to a business carried on by the Debtors, 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 _____, 2020 (the "**Order**") made in an action having Court file number CV-20-00649943-00CL, 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__.

Grant Thornton Limited, solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____
Name:
Title:

BETWEEN

ROYAL BANK OF CANADA

Plaintiff

-and-

BARTIA TRANSPORT INC. operating as BLB TRANSPORT
GROUP, et al.
Defendants
Court File No. CV-20-00649943-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

Rachel Moses (LSO#42081V)
rmoses@mindingross.com

Tel: 416-369-4115

Fax: 416-864-9223

Lawyers for Royal Bank of Canada

(File No. 4120433)

TAB 2

Court File No. CV-20-00649943-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ROYAL BANK OF CANADA

Plaintiff

and

**BARTIA TRANSPORT INC. operating as BLB TRANSPORT GROUP,
GATT LOGISTICS INC., SARBJIT KAUR, and CARL DWAIN GATT**

Defendants

**AFFIDAVIT OF PETER GORDON
(sworn October 23, 2020)**

I, **PETER GORDON**, of the Town of Oakville, in the Regional Municipality of Halton, **MAKE OATH AND SAY:**

1. I am a Senior Manager in the Special Loans & Advisory Services Department ("**Special Loans Group**") of Royal Bank of Canada ("**RBC**"). I have responsibility for matters pertaining to the borrowings of Bartia Transport Inc. and Gatt Logistics Inc. and as such I have knowledge of the matters hereinafter deposed to.

2. The facts set forth herein are within my personal knowledge or determined from the face of the documents attached hereto as exhibits or from information and advice provided to me by others. To the extent I have relied on the information and

- 2 -

advice of others, I have identified the source of such information and verily believe that information and advice to be true.

3. I am swearing this affidavit in support of RBC's motion for an order appointing Grant Thornton Limited ("**GTL**") as receiver of Bartia Transport Inc. operating as BLB Transport Group ("**Bartia Transport**") and Gatt Logistics Inc. ("**Gatt Logistics**"), (Bartia Transport and Gatt Logistics are collectively, the "**Borrowers**").

DESCRIPTION OF THE BORROWERS AND GUARANTORS

4. Bartia Transport is a corporation incorporated pursuant to the laws of Ontario. Its registered office is located at 11 Hainer Court, Amherstburg, Ontario (the "**Amherstburg Premises**"). A copy of Bartia Transport's corporate profile report, retrieved on September 8, 2020, is attached as **Exhibit "A"**.

5. Gatt Logistics is a corporation incorporated pursuant to the laws of Ontario with a registered office located at the Amherstburg Premises. A copy of Gatt Logistics' corporate profile report, retrieved September 8, 2020, is attached as **Exhibit "B"**.

6. The Borrowers are engaged in the business of providing transportation, trucking, and logistics services.

7. Carl Dwaine Gatt ("**Carl**") is the sole officer and director of the Borrowers. Carl guaranteed the indebtedness of Gatt Logistics to RBC.

- 3 -

8. Sarbjit Kaur ("**Sarbjit**") guaranteed the indebtedness of Bartia Transport to RBC.

BARTIA TRANSPORT LOAN AGREEMENT AND SECURITY

9. Pursuant to a commitment letter dated March 28, 2019 and accepted by Bartia Transport on April 3, 2019 (the "**Bartia Transport Loan Agreement**"), RBC extended credit facilities¹ to Bartia Transport as follows:

Facility #1 \$150,000.00 revolving demand facility

Facility #2 \$500,000.00 revolving lease line of credit

Facility #3 \$500,000.00 revolving term facility by way of term loans

Other Visa business facility to a maximum of \$20,000.00

Copies of the Bartia Transport Loan Agreement together with the Bartia Transport Master Lease Agreement dated April 26, 2019 are attached as **Exhibit "C"**.

10. Under the Bartia Transport Loan Agreement, the revolving demand facility (also known as the operating facility) is repayable on demand. An event of default under the Bartia Transport Master Lease Agreement (see section 18.1(g)) occurs if Bartia Transport fails to perform its obligations under the Bartia Transport Loan Agreement, i.e., failure to pay the operating facility upon demand.

¹ Note: the aggregate of Facility #2 and Facility #3 shall not exceed \$500,000 at any time.

- 4 -

11. In support of the credit facilities, certain security was obtained by RBC, including the following:

- (a) a general security agreement (the “**Bartia Transport GSA**”) on the Bank’s Form 924 executed by Bartia Transport on April 3, 2019. Section 13 of the Bartia Transport GSA provides RBC with the remedy to appoint a receiver in the event of default. A copy of the Bartia Transport GSA is attached as **Exhibit “D”**; and
- (b) a guarantee and postponement of claim on the Bank’s Form 812 executed by Sarbjit on April 3, 2019 and limited to the principal sum of \$670,000.00 (the “**Bartia Transport Guarantee**”). A copy of the Bartia Transport Guarantee is attached as **Exhibit “E”**.

PPSA CREDITORS

12. A copy of the certified Personal Property Security Act (Ontario) (“**PPSA**”) search results for Bartia Transport, with currency to October 13, 2020, is attached as **Exhibit “F”**.

13. The PPSA search results show that, excluding RBC’s registrations against Bartia Transport, there are 4 other registrations against Bartia Transport in favour of i) 26137020 Ontario Inc.; ii) De Lage Landen Financial Services Canada Inc.; iii) Transit Trailer Leasing Limited and iv) Wells Fargo Equipment Finance Company.

GATT LOGISTICS LOAN AGREEMENT AND SECURITY

14. Pursuant to a commitment letter dated September 11, 2019 and accepted by Gatt Logistics on September 12, 2019 (the “**Gatt Logistics Loan Agreement**”), RBC extended credit facilities² to Gatt Logistics as follows:

Facility #1 \$500,000 revolving demand facility

Facility #2 \$1,370,000.00 revolving term facility by way of term loans

Facility #3 \$1,370,000.00 revolving lease line of credit by way of Leases

Other Visa business facility to a maximum of \$100,000.00

Copies of the GATT Logistics Loan Agreement together with the GATT Logistics Master Lease Agreement dated June 1, 2019 are attached as **Exhibit “G”**.

15. Under the GATT Logistics Loan Agreement, the revolving demand facility (also known as the operating facility) is repayable on demand. An event of default under the GATT Logistics Master Lease Agreement (see section 18.1(g)) occurs if GATT Logistics fails to perform its obligations under the GATT Logistics Loan Agreement, i.e., failure to pay the operating facility upon demand.

16. In support of the credit facilities, certain security was obtained by RBC, including the following:

² Note: the aggregate of Facility #2 and Facility #3 shall not exceed \$1,370,000 at any time.

- 6 -

- (a) a general security agreement (the “**Gatt Logistics GSA**”) on the Bank’s Form 924 executed by Gatt Logistics on May 17, 2019. Section 13 of the GATT Logistics GSA provides RBC with the remedy to appoint a receiver in the event of default. A copy of the Gatt Logistics GSA is attached as **Exhibit “H”**; and
- (b) a guarantee and postponement of claim on the Bank’s Form 812 executed by Carl on May 17, 2019 and limited to the principal sum of \$1,950,000.00 (the “**Gatt Logistics Guarantee**”). A copy of the Gatt Logistics Guarantee is attached as **Exhibit “I”**.

PPSA CREDITORS

17. A copy of the certified PPSA search results for Gatt Logistics, with currency to October 13, 2020, is attached as **Exhibit “J”**.

18. The PPSA search results show that, excluding RBC’s registrations against Gatt Logistics, there are 7 other registrations against Gatt Logistics in favour of i) Transit Trailer Leasing Limited; ii) Bank of Montreal (a motor vehicle); iii) De Lage Landen Financial Services Canada Inc.; iv) Wells Fargo Equipment Finance Company; v) CLE Capital Inc.; vi) Hitachi Capital Canada Corp. and vii) Mercedes-Benz Financial Services Canada Corporation.

DEFAULTS AND DEMANDS

19. The accounts of the Borrowers were transferred to RBC's Special Loans Group in or about August 2020.

20. By letters dated September 8, 2020, RBC made demand on the Borrowers for repayment of, among other things, the operating facilities (the "**Operating Indebtedness**"). As part of the demand letters, RBC also gave notice of its intention to enforce its security against the Borrowers pursuant to section 244(1) of the Bankruptcy and Insolvency Act (the "**BIA**") (the "**BIA Notice**"). Demand was also made on Sarbjit and Carl pursuant to the Bartia Transport Guarantee and the GATT Logistics Guarantee, as applicable.

21. Copies of the demand letters dated September 8, 2020 to the Borrowers, Carl and Sarbjit together with the BIA Notice are attached as **Exhibit "K"**.

22. The demand period expired and the Borrowers failed to repay the Operating Indebtedness owing to RBC.

23. The Borrowers failure to pay the Operating Indebtedness to RBC constituted an event of default under the Bartia Transport Master Lease Agreement and under the GATT Logistics Master Lease Agreement, entitling RBC to make demand for all amounts owing under the Master Lease Agreements.

24. Accordingly, by letters dated September 29, 2020, RBC made demand on the Borrowers for all amounts owing under the Bartia Transport Master Lease

- 8 -

Agreement and under the GATT Logistics Master Lease Agreement. As part of the demand letters, RBC also gave the BIA Notice to each of Bartia Transport and GATT Logistics. Demand was also made on Carl and Sarbjit pursuant to the Bartia Transport Guarantee and the GATT Logistics Guarantee, as applicable.

25. Copies of the demand letters dated September 29, 2020 together with the BIA Notice to the Borrowers and copies of the demand letters dated September 30, 2020 to Carl and Sarbjit are attached as **Exhibit "L"**.

26. The demand period has expired and the Borrowers have failed to repay the indebtedness to RBC.

27. Following the demand letters referred to herein, the Borrowers retained the law firm Beluli Giannotti LLP. Various communications have been exchanged between RBC's lawyers, Minden Gross LLP, and the Borrowers' lawyers, Mr. Dimitry Jim Beluli, in respect of repayment of the indebtedness owing to RBC. I have also had discussions with Carl.

28. Despite these communications and discussions, the Borrowers have not been able to present a repayment proposal satisfactory to RBC. The Borrowers refused RBC's request to engage GTL as the bank's consultant to review and report on the financial performance of the Borrowers and to evaluate RBC's security position, or to enter into a forbearance agreement on terms acceptable to RBC.

29. RBC is concerned about its security position as the indebtedness remains outstanding³ and most of the indebtedness is with respect to the lease loans.

30. On October 7, 2020, the Borrowers were advised that RBC would be bringing proceedings for the appointment of a court-appointed receiver as the indebtedness remained outstanding and the Borrowers have been unable to enter into any agreements resulting in the repayment of the indebtedness owing to RBC. Copies of email exchanges between RBC's lawyer, Kenneth L. Kallish of Minden Gross LLP and Mr. Beluli are attached as **Exhibit "M"**.

31. Between October 7, 2020 and October 14, 2020, further email communications were exchanged between Mr. Kallish, Mr. Beluli and Carl with respect to the repayment of the indebtedness.

32. On October 14, 2020, during a telephone call which included myself, Mr. Kallish, Carl and Mr. Beluli, Carl advised us of the following:

- the Borrowers are no longer operating;
- the majority of the Borrowers' trucks and trailers are currently located in the United States (Michigan, Indiana, Ohio, Kentucky) with only a few vehicles in the Greater Toronto Area and Windsor. Carl agreed that the trucks and trailers located in the United States will be returned to Ontario.

³ Note: Bartia Transport's operating facility has been repaid.

- 10 -

33. Since Carl's confirmation on October 14, 2020 that the Borrowers are no longer operating, various communications have been exchanged with respect to the timing and delivery of the trailers (12 in total) and the tractors (2 in total). At the time of swearing my affidavit, the majority of the trailers and tractors have been delivered to the location of Syl-Mar Management, 369 Maple Avenue South, Burford, Ontario.

34. On October 22, 2020, Carl and I exchanged email communications, in one of the emails sent at 2:15 p.m. Carl advised "...All other equipment that was leased under Gatt Logistics Inc. is in the process of getting paid out by Ready GO Transport there is no other equipment in Gatt or Bartia." In response to Carl's email, Mr. Kallish responded:

"Jim,

You have already been advised that RBC is proceeding with an application to appoint a Receiver against Bartia and Gatt. We expect to have a return date early next week. Any transactions outside the ordinary course of business, including those described by Mr. Gatt in his below e mail, will be subject to the review of the Receiver."

Copies of various email communication between October 15, 2020 and October 22, 2020 are attached as "**Exhibit "N"**".

35. The Borrowers continue to deposit their account receivables in the business account of Bartia Transport and payments have been applied to reduce the indebtedness. As at October 19, 2020, the indebtedness owing to RBC is:

Bartia Transport

- Leases \$509,424.79
- Overdraft \$14,136.99
- Overdraft (US) \$5,657.18

GATT Logistics

- Operating Facility \$364,282.48
- Leases \$1,565,120.70
- Overdraft \$1,226.33

36. As the indebtedness remains outstanding, on October 22, 2020, RBC issued the within action to appoint GTL as Receiver and to obtain judgment against Carl and Sarbjit under the GATT Logistics Guarantee and the Bartia Transport Guarantee, as applicable.

APPOINTMENT OF RECEIVER

37. RBC has provided the Borrowers with more than sufficient time to repay the indebtedness. The Borrowers have been unable to fulfil their obligations to RBC and have advised that they are no longer operating. Further, the Borrowers have delivered their fleet of trucks, trailers and tractors to RBC.

38. At this stage, RBC wishes to take any and all steps necessary to enforce

its security and realize on same.

39. RBC considers it reasonable and prudent for it to begin enforcement of its security in an effort to recover the outstanding indebtedness.

40. The appointment of a receiver is provided for in the security (see sections 13 of each of the Bartia Transport GSA and the GATT Logistics GSA).

41. RBC proposes that GTL be appointed as receiver of the Borrowers.

42. GTL has consented to act as receiver should the Court so appoint it. A copy of GTL's consent is attached as **Exhibit "O"**.

43. This affidavit is made in support of the within motion, and for no other or improper purpose whatsoever.

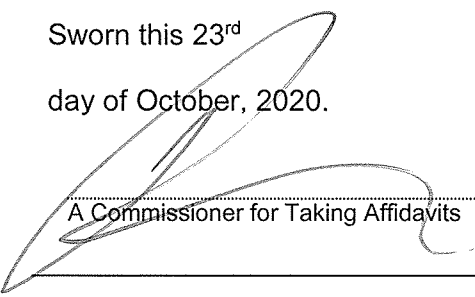
SWORN before me at the City of Toronto,
in the Province of Ontario, this 23rd day of
October, 2020.

A Commissioner, etc.

PETER GORDON

This is Exhibit “A” referred to
in the Affidavit of Peter Gordon

Sworn this 23rd
day of October, 2020.



.....
A Commissioner for Taking Affidavits

TAB 3

Comparison of Lease Pay Out Values to Appraised Values

Lessor	Vehicle Description	VIN	Appraised value	Lease Payout per Lessor	
				Confirmation	Estimated Equity
BMO	2019 INTERNATIONAL TRUCK LONES	3HSLGAPR1KN142197	\$ 125,000.00	\$ 257,832.78	\$ (132,832.78)
DLL	2016 Freightliner Cascadia	1FUJGLD50GLHE3474	\$ 33,000.00	\$ 75,281.39	\$ (42,281.39)
DLL	2020 INTERNATIONAL/LONESTAR	3HSLGAPR0LN410402	\$ 140,000.00	\$ 234,227.53	\$ (94,227.53)
Wells Fargo/Daimler	2016 Freightliner Cascadia	1FUJGLD55GLHE3471	\$ 39,000.00		
				\$ 107,046.98	\$ (37,046.98)
Wells Fargo/Daimler	2015 Freightliner Cascadia Truck	1FUJGLD5XGLGY3904	\$ 31,000.00		
Wells Fargo/Daimler	2018 Western Star 5700XE	FKJJBHDR2KLKF8073	\$ 60,000.00	\$ 120,611.12	\$ (60,611.12)

TAB 4

BILL OF SALE

THIS INDENTURE made the 26th day of November, 2020.

BETWEEN:

GRANT THORNTON LIMITED, solely in its capacity as Court-Appointed Receiver of Bartia Transport Inc. ("**Bartia**") and Gatt Logistics Inc. (together with Bartia, the "**Debtors**"), and not in its personal capacity (the "**Vendor**")

- and -

READY GO TRANSPORT INC., (the "**Purchaser**")

WHEREAS:

- A. pursuant to an order of the Ontario Superior Court of Justice (Commercial List) issued on October 27, 2020 (the "**Receivership Order**"), the Vendor was appointed as the court-appointed receiver of all of the assets, undertakings and properties of the Debtors acquired for or used in relation to a business carried on by the Debtors, including all proceeds thereof (the "**Property**");
- B. pursuant to the Receivership Order, the Vendor is empowered and authorized to, amongst other things, market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiate such terms and conditions of sale as the Vendor in its discretion may deem appropriate;
- C. the Purchaser submitted an offer to acquire, the Debtors' and the Vendor's right, title and interest in and to certain Property, being the Purchased Assets (as hereinafter defined);

NOW THEREFORE THIS INDENTURE WITNESSES that in consideration of the sum of TEN DOLLARS (\$10.00) of lawful money of Canada, and other good and valuable consideration paid by the Purchaser to the Vendor, the receipt and sufficiency of which are hereby acknowledged the parties hereby agree as follows:

1.0 PURCHASE AND SALE OF PROPERTY

1.1 Condition

The obligations of the Vendor and Purchaser are conditional upon the Purchaser obtaining an order in a form satisfactory to the Purchaser approving this transaction from a Judge of the Ontario Superior Court of Justice sitting on the Toronto Commercial List (“**Approval Order**”). If an Approval Order is not granted by December 15, 2020 the Agreement shall be terminated with no further obligation on the Vendor or Purchaser other than to return the Deposit (as defined herein).

1.2 Purchase and Sale of Property

The Vendor hereby grants, bargains, conveys, sells, assigns, transfers and sets over to the Purchaser and releases to and in favour of the Purchaser, all of the right, title and interest, if any, of the Debtors and of the Vendor in and to the Property listed in Schedule A attached hereto (the “**Purchased Assets**”), to have and to hold the Purchased Assets and every part thereof, and all the right, title and interest of the Debtors and of the Vendor therein and thereto, unto and to the sole and exclusive use of the Purchaser.

1.3 Taxes

The Purchaser will pay all applicable federal, provincial and other taxes exigible in connection with the purchase and sale of the Purchased Assets, including, without limitation, Ontario retail sales tax and goods and services tax under part IX of the *Excise Tax Act* (Canada). The Purchaser hereby indemnifies and holds harmless the Vendor from and against any claims, demands, damages, losses, costs, liabilities and expenses that may be made or brought against the Vendor or that the Vendor may suffer or incur as a result of the failure of the Purchaser to pay any such taxes when due, including, without limitation, interest, penalties and costs (including legal fees and disbursements).

1.4 As Is, Where Is

The Purchaser acknowledges and confirms that the Vendor is selling and the Purchaser is purchasing the Purchased Assets on an “as is, where is” basis as it exists on the date hereof and that, except as expressly provided herein, the Vendor has not made or given and does not make or give any representations, warranties, statements or promises, express, implied, oral, written, legal, equitable, conventional or statutory (including, without limitation, under the *Sale of Goods Act* (Ontario)) or otherwise, as to (a) the Vendor’s status or capacity; (b) the existence of or title to the Purchased Assets; (c) the existence of any liens, mortgages, charges, encumbrances or security interests in, on or against the Purchased Assets or the validity, registration, enforceability or priority of any such liens, mortgages, charges, encumbrances or security interests; (d) the assignability, description, value, cost, fitness for any purpose, merchantability, use, quantity, quality, state, condition or location of the Purchased Assets; (e) the presence or absence of contaminants (as such term is defined in the *Environmental Protection Act* (Ontario)) on, in or about the Purchased Assets; the discharge of contaminants from, on or in relation to the Purchased Assets; the existence, state, nature, identity, extent or effect of any

administrative orders, control orders, stop orders, compliance orders or any other orders, proceedings or actions under the *Environmental Protection Act* (Ontario), the *Ontario Water Resources Act* or any other applicable law in relation to the Purchased Assets; or the existence, state, nature, kind, identity, extent or effect of any liability on the Purchaser to fulfil any obligations with respect to the environmental condition or quality of the Purchased Assets; or (f) any other matter whatsoever concerning the Purchased Assets; and no representation or warranty of any kind can be implied at law or in equity, by statute or otherwise, with respect to the Purchased Assets. The Purchaser acknowledges that it has inspected the Purchased Assets and has relied entirely upon its own inspections and investigations. The description of the Purchased Assets contained in all schedules hereto is for the purpose of identification only and the Vendor gives no representation or warranty concerning the accuracy of such description. The Vendor will not be liable for, nor will the Purchaser have a remedy for recovery of, any damages, including, but not limited to, economic loss of any kind, arising out of any claim that the Purchased Assets infringe the rights of any other person. The Purchaser acknowledges that it accepts the Purchased Assets subject to its environmental condition and any contamination, whether or not such environmental condition or contamination is known to the Vendor prior to the date hereof, and acknowledges that the Purchaser will have no recourse against the Vendor for any such pre-existing environmental conditions or contamination.

1.5 Removal of Property

- (a) Immediately upon the receipt of the Purchase Price (as defined herein) by the Vendor, the Purchaser shall take possession of the Purchased Assets where situated (the “**Location**”). The Purchaser acknowledges that the Vendor has no obligation to deliver physical possession of the Purchased Assets to the Purchaser. The Purchaser will repair any damage that it causes or that its agents cause to the Location in connection with such removal. The Purchaser will remove all hazardous materials related to the Property at the same time that it removes the Purchased Assets.
- (b) The Purchaser hereby indemnifies and holds harmless the Vendor from and against any and all liability or cost that the Vendor may incur or for which the Vendor may be held liable in connection with or as a result of the Purchaser’s removal of the Purchased Assets and hazardous materials as aforesaid, if any, from the Location, or in connection with or as a result of its failure to remove the same from the Location, including without limitation the cost of removing and disposing of any such hazardous materials, and the cost of repairing any damage to the Location.

1.6 No Assumption of Liabilities

Except as otherwise set out herein, the Purchaser is not assuming and will not be liable for any liabilities of the Debtors.

1.7 Contractual Rights

Nothing in this indenture will be construed as an attempt to assign any contractual rights forming part of the Purchased Assets that are not assignable in whole or in part without the consent of the other party to such contract, unless such consent has been given or the assignment is otherwise lawful.

1.8 Purchase Price

The purchase price for the Property is the sum of \$1,500,000.00 (the “**Purchase Price**”). The Vendor has paid a deposit of \$150,000 (“**Deposit**”) with the balance to be due on the closing of the transaction which is to occur one day following approval of the transaction by a Judge of the Ontario Superior Court of Justice sitting on the Toronto Commercial List.

2.0 REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to the Vendor as follows and acknowledges that the Vendor is relying on such representations and warranties in executing this indenture:

- (a) it is a corporation duly incorporated, organized and subsisting under the laws of the Province of Ontario and has the requisite power and authority to enter into this indenture; and
- (b) it is a Canadian resident within the meaning of the *Investment Canada Act* (Canada).

2.2 Representations and Warranties of the Vendor

The Vendor represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in executing this indenture:

- (a) the statements made in the recitals are true in substance and in fact;
- (b) it has done no act to encumber the Purchased Assets; and
- (c) it is not a “non-resident person” for the purposes of section 116 of the *Income Tax Act* (Canada);

3.0 MISCELLANEOUS

3.1 Successors and Assigns

This indenture and all of its provisions will enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

3.2 Governing Law

This indenture will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

3.3 Further Assurances

Each of the parties hereto will, from time to time and at the reasonable request and the expense of the party making such request, do or take or cause to be done or taken such acts or actions and will execute and deliver to the other or cause to be executed and delivered to the other such further instruments, documents and assurances, as may be reasonably necessary [or desirable] to give effect to this indenture.

3.4 Entire Agreement

This indenture and the attached schedule constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior negotiations and understandings.

3.5 Capacity of Vendor

The Vendor has executed this indenture in its capacity as Court-Appointed Receiver of Bartia Transport Inc. and Gatt Logistics Inc. and not in its personal capacity.

3.6 Addresses

The respective addresses of the parties are set out opposite their names on the signing page hereof.

3.7 Counterparts

This indenture may be signed in counterparts and each of such counterparts will constitute an original document and such counterparts taken together will constitute one and the same instrument.

This indenture may be executed and delivered by facsimile transmission and the parties may rely on such facsimile signatures as though they were originals.

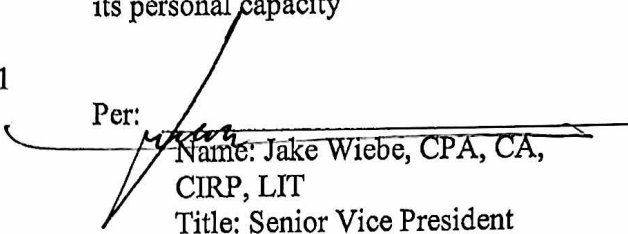
IN WITNESS WHEREOF the parties have executed this indenture on the date first above written.

Address of Vendor:

Grant Thornton Limited
11th Floor, 200 King Street West, Box 11
Toronto, ON M5H 3T4

GRANT THORNTON LIMITED, solely in its
capacity Court-Appointed Receiver of Bartia
Transport Inc. and Gatt Logistics Inc. and not in
its personal capacity

Per:


Name: Jake Wiebe, CPA, CA,
CIRP, LIT
Title: Senior Vice President

c/s

Address of Purchaser:

READY GO TRANSPORT INC.

 [ntd to be inserted by Purchaser]

740, Beaverdale rd
Cambridge, On, N3 2V3

Per:


Name:
Title:

c/s

SCHEDULE A

Schedule of Equipment

Year	Make	Serial Number
<u>Tractors</u>		
2019	Kenworth	1XKWD49X0KJ958529
2019	Kenworth 320	1XKWD49X7KJ958530
2019	Reitnouer Big Bubba	1RNF50A62LR048921
2006	Freightline Coranado, C15 CAT	6PV28837
<u>Trailers</u>		
2020	Reitnouer Big Bubba	1RNF50A60LR048710
2020	Reitnouer Big Bubba	1RNF50A64LR048709
2020	East MMX	1E1H5Z682LR071239
2020	East MMX	1E1H5Z680LR071238
2020	East MMX	1E1H5Z689LR071237
2020	East MMX	1E1H5Z687LR071236
2020	East MMX	1E1H5Z685LF071235
2019	MAC	5MAPA4823KA047764
2019	Reitnouer Maximizer	1RNF53A23LR048442
2020	Reitnouer Maximizer	1RNF53A21MR052488
2020	Reitnouer Maximizer	1RNF53A23MR052489
2007	Great Dane 48' Slider	1GR0M96217H703837

TAB C
CONFIDENTIAL APPENDICES

CONFIDENTIAL APPENDIX 1
Subject to a Sealing Order

CONFIDENTIAL APPENDIX 2
Subject to a Sealing Order

CONFIDENTIAL APPENDIX 3
Subject to a Sealing Order

CONFIDENTIAL APPENDIX 4
Subject to a Sealing Order