

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST  
IN BANKRUPTCY AND INSOLVENCY**

**BANK OF MONTREAL**

Applicant

- and -

**FINANCIAL TRANSPORT INC., FREIGHTLINER OF KINGSTON INC.,  
6181732 CANADA INC., GLOBAL TRANSPORT INSURANCE BROKERS INC.,  
JAIN TRUCK LEASE LTD. and 2105810 ONTARIO INC.**

Respondents

**FIRST REPORT OF THE RECEIVER**

**February 23, 2010**

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## I. Introduction

1. By Order of the Honourable Mr. Justice Cameron dated February 4, 2010 (the "Receivership Order"), Deloitte & Touche Inc. was appointed receiver (the "Receiver"), without security, of all of the assets, undertakings and properties of the Respondents acquired for, or used in relation to a business carried on by the Respondents (the "Companies") including all proceeds thereof pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act* ("BIA") and Section 101 of the *Courts of Justice Act*. A copy of the Receivership Order is attached hereto as Exhibit "A".
2. The Receiver considers it advisable to inform this Honourable Court as to the status of matters since its appointment as Receiver; to seek approval of its activities to date; and to seek approval of the proposed marketing and sales process to be conducted by the Receiver to solicit offers for the sale of all or part of the assets, businesses and undertakings of the Companies.
3. There are six related respondents in this matter, namely:
  - Financial Transport Inc. ("FTI")
  - Freightliner of Kingston Inc. ("FKI")
  - 6181732 Canada Inc. ("618")
  - Global Transport Insurance Brokers Inc. ("GTIB")
  - Jain Truck Lease Ltd. ("JTL")
  - 2105810 Ontario Inc. ("210")

## II. Background to Receivership

4. FTI is an Ontario corporation incorporated in 1995 that provides lease financing and sells new and used transport vehicles to operators in Canada and the United States. FTI operates from premises located at 7280 Dixie Road, Mississauga, Ontario (the "**Dixie Location**") which it leases from a related company and shares with other related companies. FTI is wholly owned by 6145086 Canada Inc., which itself is owned in equal shares by Eric Jain ("**Eric**") and Chanderkant Jain ("**Chanderkant**"), who are brothers.

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5. FKI is an Ontario corporation and operates Jain Truck Centres from leased premises located at 21 Enterprise Drive, Belleville, Ontario (the "**Belleville Location**"). The Belleville Location is owned by a related company. FKI was a retail dealer of Freightliner brand trucks and trailers as well as a service centre offering service and parts sales. FKI's franchise agreement with Freightliner was terminated by Freightliner at the beginning of January 2010. FKI is owned by Eric (20%) and Chanderkant (80%).
  6. 618 is a federally incorporated company incorporated in 2004, originally for the purpose of holding title to a commercial property located at 4298 Tomken Road, Mississauga, Ontario (the "**Tomken Property**"). 618's office is located at the Dixie Location. 618 is owned in equal shares by Eric and Chanderkant. The Tomken Property was developed for use as a parking facility for tractor trailers. To date, 618 has been unable to obtain the required rezoning to allow the property to be rented for parking lot purposes.
  7. GTIB is an Ontario corporation incorporated in 2004 as an independent insurance brokerage for companies in the trucking industry who operate within Ontario. GTIB operates from premises leased from a third party located at 1215 Meyerside Drive, Mississauga, Ontario (the "**Meyerside Location**"). Robert Hilbert ("**Hilbert**"), GTIB's Managing Partner, started GTIB in 2005 with the assistance of a loan from Chanderkant. Global's shares are owned by Soniya Jain, the spouse of Chanderkant.
  8. JTL is an Ontario corporation that was incorporated in 2007. JTL is in the business of maintaining vehicles and also rents trailers which it does through related and third party leasing companies. JTL was formerly located in Belleville, Ontario with one person managing the operations. The business was transferred to the Dixie Location some time in 2008.
  9. 210 is an Ontario corporation and is the owner of a rental property located at 29 Dalton Road, Kingston, Ontario which was previously occupied by FKI. 210's office is located at the Dixie Location.
  10. The Bank of Montreal (the "**Bank**") is a secured creditor and lender to all of the Companies except JTL and 210 who have business chequing accounts but no loan accounts or credit facilities with the Bank.
  11. The Bank recently became concerned that the Companies have been engaging in a practice known as cheque kiting between the accounts of the various Companies. In January 2010 the Bank began returning cheques and ceased to permit further withdrawals from the Companies' accounts. As a result of charge backs resulting from this activity, the operating loans of FTI, FKI,

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618 and GTIB and unauthorized overdrafts in the accounts of JTL and 210 exceeded the Companies' collective approved credit limits by approximately \$2 million.

12. On February 1, 2010, the Bank made an application for the appointment of a receiver over the Companies due to its concern that the Companies were depositing funds in accounts held at other financial institutions and thereby dissipating the Bank's security.
13. On February 1, 2010, the Companies sought an adjournment of the Bank's motion to appoint a receiver in light of the short notice and a perceived need to cross examine. A two day adjournment was granted by the Honourable Madame Justice Pepall with several conditions, including that Deloitte & Touche Inc. be appointed as a monitor (the "**Monitor**") on an interim basis to monitor the affairs of the Companies and their receipts and disbursements (the "Initial Order"). A copy of the Initial Order is attached hereto as Exhibit "**B**".
14. Upon its appointment, the Monitor attended at the offices of the Companies at the Dixie, Belleville and Meyerside locations to commence its duties under the Initial Order.
15. On February 4, 2010, upon the filing of the Monitor's report, a copy of which is attached hereto as Exhibit "**C**", the Companies consented to the appointment of the Receiver.

### III. Receiver's Activities to Date

#### THE DIXIE ROAD LOCATION

##### **Possession and Control (FTI, JTL, 210 and 618)**

16. Upon its appointment on February 4, 2010, the Receiver attended at the Dixie Location to take possession and control of the property of FTI, JTL, 210 and 618. Management advised that the Dixie Location was also occupied by several related party tenants, including companies who were not subject to the Receivership Order. Office space and resources were shared with the other related companies including Alumi-Bunk Corporation ("Alumi"), 1354198 Ontario Inc. (the "Landlord"), and The TruckDepot.com Inc. The Receiver arranged for the changing of the exterior locks. Copies of the new keys were provided to the other tenants as well as to the Landlord. The Receiver arranged for a room at the Dixie Location to be set aside for the Receiver's exclusive use and a lock was installed on the door in order to secure the books and records required by the Receiver.

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17. The Receiver arranged for the back-up of the electronic records stored on the computers at the Dixie Location pertaining to FTI, JTL, 210 and 618. The computers used by FTI's employees were not exclusively used by FTI, JTL, 210 or 618 but contained data relating to non-respondent companies. As a result, the Receiver was only permitted to take copies of selected data files.
  18. The Receiver has made arrangements to install the accounting software used by FTI, JTL, 210 and 618 on its own computer, in order to allow it to access financial information relevant to its administration of the receivership.

### **A - FINANCIAL TRANSPORT INC.**

#### **FTI Employees**

19. FTI had five employees on its payroll who also provided service to related companies. JTL, 210 and 618 do not have any employees. The five employees were terminated as a result of the receivership.
20. The Receiver engaged three of the former employees of FTI on a temporary basis to assist the Receiver with its administration including the preparation of statutory returns, updating of accounting records and to provide other financial information. Two of the employees have since decided not to work for the Receiver and the third has not been able to work due to maternity leave.
21. Records of employment were prepared and provided to Service Canada for FTI's terminated employees.

#### **FTI Fixed Assets and Equipment**

22. Management has advised that the office furniture and equipment at the Dixie Location do not belong to FTI and was on site when FTI moved in. The furniture does not appear to be new or of significant value. Given the shared use of the premises by all tenants, the apparent insignificant value of the assets in question and the fact that FTI does not maintain a fixed asset listing, it would be difficult and of little benefit to the receivership for the Receiver to expend time and resources to determine ownership.

#### **FTI Inventory of Vehicles**

23. The Receiver was advised by Management that all vehicles belonging to FTI were parked within the fenced parking lot located immediately to the south of the Dixie Location building owned by

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the Landlord (the “**Lot**”). Management further advised that vehicles belonging to related companies and third parties were also parked in the Lot. Upon its appointment, the Receiver replaced the padlocks on the gates into the Lot, removed the keys from the ignitions of the trucks, locked the doors of the trucks, and secured the keys.

24. The Receiver conducted an inventory count of the tractors and trailers located in the Lot to identify vehicles belonging to the Companies and those belonging to third parties.
25. A number of vehicles in the Lot were identified as belonging to third parties through a Ministry of Transportation (“**MTO**”) Vehicle Identification Number (“**VIN**”) search. The Receiver has contacted these parties to notify them of the receivership and to advise them that the Receiver does not make any claim to or take any responsibility for the vehicles that they have parked in the Lot and will be returning the keys to the Landlord.
26. A total of 41 vehicles in the Lot were identified as being owned by FTI or FKI. A review of the Personal Property Registration System (“**PPSA**”) reports for FTI and FKI indicates registrations against 9 of these vehicles. The Receiver is in the process of verifying the ownership of the 41 vehicles and has contacted the registrants on the PPSA reports to request copies of documentation to support their possible secured interest.
27. The Receiver obtained an MTO report listing the vehicles currently registered as being owned by FTI. The Receiver compared the MTO listing to the inventory of vehicles physically located on site at the Dixie Location and Belleville Location, and the vehicles listed as being on lease from FTI’s lease portfolio. Based on this analysis, there would appear to be a total of 129 vehicles on the MTO listing that have not been accounted for. The Receiver has contacted Chanderkant to request an explanation/reconciliation for this discrepancy but to date has not received a reply.
28. FTI’s balance sheet shows an inventory account with a balance of approximately \$1 million comprised of twenty tractors/trailers (the “**Inventory Account**”). FTI’s CFO has advised that the Inventory Account is for any vehicle that was initially purchased for resale or for lease, and that had not yet been sold or leased. The Receiver has not identified any of the vehicles listed in the Inventory Account as being a vehicle that is either currently under lease or a vehicle that is located in the Lot. The Receiver has contacted Chanderkant to request details as to the current location of the vehicles in the Inventory Account and to obtain the corresponding ownership papers. To date, the Receiver has not received a response from Chanderkant.



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### **FTI Accounts Receivable – Lease Portfolio**

29. The Receiver obtained from Management a copy of the most current listing of FTI's lease portfolio (the "**FTI Portfolio**") dated December 31, 2009. The December listing indicated that FTI had 175 vehicles on lease on terms ranging from 6 to 72 months, and that the value of the future monthly lease payments was \$8.5 million.
30. After updating the FTI Portfolio for vehicles that had come off lease, the Receiver has determined that there may only be 151 vehicles on lease, and that the value of the future monthly lease payments would be approximately \$7.3 million. The \$7.3 million includes \$2.2 million in lease payments receivable from five lessees who appear to be related to the Companies.
31. Several monthly lease payments are made by means of pre-authorized electronic fund transfers ("**EFT**") processed by FTI. It should be noted that in the period February 1 to 19, 2010, FTI processed \$109,027 in EFT of which \$79,615 or 73% was charged back by the customer for reasons of either STOP PAYMENT or NSF.
32. As at February 9, 2010, FTI's accounts receivable sub-ledger had an outstanding balance of \$908,227, of which 35% was over 90 days old. Management has advised that the majority of the accounts receivable are comprised of overdue lease payments.
33. The Receiver is in the process of updating the FTI Portfolio for lease payments made in January and February 2010, and will be taking steps to collect outstanding lease payments and/or repossess any vehicles where the account remains unpaid.
34. The Receiver has contacted the creditors who have registered a security interest against a vehicle in FTI's Portfolio to request copies of their security. The Receiver will be confirming the nature and validity of their security.

### **FTI Insurance**

35. FTI did not maintain insurance coverage on the Dixie Location or for the trucks and trailers located in the Lot. The Receiver has arranged for property insurance coverage for the vehicles and for liability insurance coverage.

### **FTI Priority Payables**

36. FTI's books and records indicate that FTI is in a GST refund position while the PST payable is \$2,400. The Receiver has not yet confirmed these amounts and notes that FTI's accounting records do not appear to be accurate or complete.

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37. The Receiver estimates that \$19,000 is owing to FTT's five employees for wage arrears and vacation pay and that payroll deductions totalling \$12,000 have not been remitted to Canada Revenue Agency for the months of December 2009, and January and February 2010. The Receiver will be addressing the requirements under the Wage Earner Protection Act ("WEPP") shortly.

## **B – FREIGHTLINER OF KINGSTON INC.**

### **FKI - Possession and Control**

38. On February 4, 2010, the Receiver took possession of FKI's premises and related assets. In order to safeguard the assets, the Receiver contacted locksmiths to change all locks on the premises and also notified the security monitoring company to change the access codes and update the emergency call list.
39. The Receiver backed-up all information that was on FKI's computer server, obtained the access codes and passwords, and cancelled all external authorized access to the server.
40. A count of all vehicles located on site had been taken by the Monitor prior to the appointment of the Receiver.
41. The Receiver has undertaken the following additional activities since its appointment:
- a) Engaged the former accounting staff to bring the accounting records up to date including accounts receivable, accounts payable, payroll, GST and inventory;
  - b) Catalogued and taken possession of all books and records located at the Belleville Location and transferred all required books and records to the Receiver's office in Ottawa;
  - c) Performed a full count of the parts inventory;
  - d) Contacted the Receiver's insurance provider to arrange for insurance coverage. FKI did not have property or liability insurance, and had not paid the monthly premium due on its garage policy;
  - e) Identified any potential assets belonging to third parties and requested their removal from the premises; and
  - f) Arranged for the removal of oil and waste from containers located on site that was used in the normal operations of the business. The Receiver notes that this was a normal service provided to FKI and no environmental issues were noted at this time.
42. The Receiver was informed by a third party of their interest in acquiring the property and of their discussions with the owner of the property. It was noted that the potential purchaser had made an offer for the land and building as well as for the furniture and certain equipment. The potential purchaser advised that their offer to purchase the furniture and equipment had been made to

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Alumi. At this time, the Receiver has requested that Chanderkant provide documentation to confirm that the office equipment and furniture at the Belleville Location belong to Alumi.

### **FKI Employees**

43. Upon its appointment, the Receiver notified all employees of the receivership and of their termination of employment.
44. As referred to earlier, the Receiver retained the services of FKI's former general manager, controller and administrative staff to assist in updating accounting records, issuing Records of Employment and T4s to former employees, finalizing GST returns, and compiling information required to comply with the WEPP.
45. The Receiver retained the services of two former service and parts staff to facilitate the completion of the inventory count.
46. The Receiver has issued notice to former employees of their rights and responsibilities under WEPP.

### **FKI Accounts Receivable**

47. According to the financial records of FKI, the accounts receivable had a book value of \$219,360.68 as at February 4, 2010. The total amount that was greater than 60 days was \$97,214. In addition, the accounts receivable balance included \$42,314.79 of related party receivables.
48. Since the date of its appointment, the Receiver has collected \$33,700.51 of accounts receivable. The remaining balance of approximately \$143,000 (excluding related party amounts and collections to date) has an estimated realizable value of approximately \$50,000. The Receiver has sent statements and made phone calls to all customers with outstanding receivables. The former controller will be paid on a commission basis to assist in the ongoing collection of receivables.

### **FKI Parts Inventory**

49. Based on the inventory count conducted by the Receiver, the parts inventory has a book value of approximately \$149,000 of which approximately \$90,000 is believed to be obsolete based on discussions with former FKI parts and service staff. The majority of this inventory consists of service parts, which are individually insignificant in value.
50. In addition, the Receiver was informed that two trailers containing parts inventory and other items belonging to FKI were removed from the Belleville Location on January 29, 2010, prior to the receivership. The Receiver contacted Chanderkant and Eric on February 6, 2010 to request that property belonging to FKI be returned. On February 16, 2010, the trailers were returned to the Belleville Location. Based on discussions with FKI's former service manager, it does not

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appear that the goods that were returned on February 16, 2010 represent all of the items that were removed on January 29, 2010. The Receiver is following up this discrepancy with Chanderkant and Eric.

51. The Receiver has requested appraisals for the parts inventory, shop tools and equipment from three appraisers and expects to receive these offers during the week of February 22, 2010.

### **FKI Belleville Vehicles**

52. Located at the Belleville Location were various trailers, trucks, snow plows and small cargo vans. Many of the vehicles (trucks and trailers) do not appear to be in drivable condition.
53. Based on the Receiver's count, there were a total of thirty vehicles. Three of the vehicles on site did not belong to FKI. The Receiver has contacted the respective owners and requested that they remove their vehicles from the Belleville Location.
54. As FKI's records did not appear to be properly maintained, the Receiver performed a VIN search through MTO in order to identify all vehicles registered to FKI. Based on the search, the Receiver identified a total of 48 vehicles (tractors and trailers) which were missing from the records of FKI. The Receiver has contacted Chanderkant to request an explanation/reconciliation for this discrepancy. To date, the Receiver has not received a reply to its enquiry.
55. The Receiver has invited three appraisers to submit offers to purchase the vehicles and expects to receive the offers during the week of February 22, 2010.
56. The Receiver noted that the ownership of a vehicle (2002 BMW 520i) that had been registered in the name of FKI was transferred to Chanderkant on February 2, 2010. This vehicle was in the possession of FKI's general manager. The general manager has returned the vehicle to the Belleville Location and it remains in possession of the Receiver at this time.
57. The Receiver has been advised by Freightliner that there were six Freightliner tractors purchased by FKI over the last year that had not been paid for. Five of these have been sold and one remains unsold and is in the possession of a Freightliner dealer in St. Catharines, Ontario. A VIN search has revealed that this tractor has not yet been registered with the MTO. The Receiver has contacted Freightliner to inquire whether it has any security interest against the one remaining tractor.

### **FKI Priority Payables**

58. FKI's GST payable for December 2009 was approximately \$2,337 and for January 2010 was approximately \$19,000. The PST payable for January 2010 is approximately \$18,000. All amounts remain outstanding. The amounts owing for GST and PST for the month of January are a result of the sale of two tractors during the month of September 2009 which were not recorded by FKI until January 2010.

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59. FKI used a third party provider for its payroll services. All payroll remittances to Canada Revenue Agency have been made by the payroll provider. Total wage arrears at the time of the receivership were approximately \$10,700 and outstanding vacation pay was \$31,000.

**C- 6181732 CANADA INC.**

60. 618's balance sheet shows two assets as at December 31, 2009: accounts receivable of \$47,608 and the Tomken Property with a book value of \$4.6 million.
61. The Receiver has been advised that the accounts receivable consists of property tax refunds due from the City of Mississauga.
62. The Tomken Property is a 9.25 acre site which was purchased in 2005 for \$2,685,000. Approximately 75% of the site has been upgraded for truck parking. Management has advised that due to zoning issues, 618 has not been able to rent the site for truck parking, and the site is currently unoccupied. The Tomken Property is currently vacant land zoned as "D" – Development which does not permit the erection of new buildings or structures. An application was commenced in March 2006 to have the site rezoned; however, to date, the rezoning has not been obtained.
63. As part of the Global Settlement (discussed later herein), the Bank paid approximately \$2 million to Comerica, resulting in Comerica discharging its first mortgage on the Tomken Property in favour of the Bank. The Bank now holds a first mortgage on the Tomken Property in the amount of \$3,675,000.
64. 618 had arranged for liability coverage for the Tomken Property but had failed to remit the annual premium. The Receiver has since paid the outstanding premium and arranged for the Receiver to be added as named insured and loss payee.

**D – GLOBAL TRANSPORT INSURANCE BROKERS INC.**

**GTIB Possession and Control**

65. Upon its appointment, the Receiver attended at GTIB's head office in order to secure the assets located therein. The Receiver was met by Hilbert, who advised that the only employee of GTIB was asked by him to go home for the day. Hilbert further advised that the books and records of GTIB were located at its external accountant's offices and that no books and records relating to the accounts of GTIB were on site; however, copies of customer policies were located on-site.

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66. The Receiver changed the locks to the premises and obtained electronic copies of GTIB's computer hard drives and server.
  67. The Receiver engaged GTIB's sole employee on a temporary basis to ensure that existing customers of GTIB were appropriately serviced and to aid with the administration of the receivership.
  68. On February 5, 2010, the Receiver contacted the offices of Robert E. Loudon, C.A., GTIB's external accountant (the "External Accountant"), in order to take possession of GTIB's books and records. The Receiver attended at the offices of the External Accountant on February 8, 2010 and was provided with GTIB's books and records for the period January 2009 to November 2009. The External Accountant confirmed that no records for the months of December 2009 and January 2010 were provided to him by Hilbert.
  69. The Receiver convened a conference call with representatives of the Registered Insurance Brokers of Ontario ("RIBO") to discuss the nature and purpose of the receivership proceedings, advise that the GTIB employee retained by the Receiver was scheduled to go on vacation during the week of February 22, 2010 and to obtain RIBO's advice regarding the manner in which to proceed to ensure that GTIB's customers were serviced appropriately.
  70. RIBO advised the Receiver to contact each insurance company dealing with GTIB to determine whether they would deal directly with GTIB's customers and/or facilitate the transfer of GTIB's customers' accounts to another approved broker. GTIB had only 16 customers with active insurance policies, 9 of which were with Markel Insurance Company of Canada ("Markel"). The other 7 policies were with Nordique Insurance ("Nordic") or Jevco Insurance Company ("Jevco"). On the advice of RIBO, Markel, Nordic and Jevco, the Receiver is in the process of writing to each of GTIB's customers to advise them of the receivership proceedings and that they should contact their insurer directly for any day-to-day insurance needs or to contact RIBO for any further assistance, should they require it.
  71. The Receiver left a message for GTIB's landlord, Georgian Properties Corporation (the "GTIB Landlord"), to advise them of the receivership and that the locks to the premises occupied by GTIB had been changed. As at February 19, 2010, the Receiver has not heard back from the GTIB Landlord. The Receiver intends to disclaim the lease during the week of February 22, 2010 and to vacate the premises by March 5, 2010.

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### **GTIB Assets and Recent Operations**

72. The Receiver reviewed the books and records of GTIB for the 11-month period ended November 30, 2009. According to the accounting records provided by the External Accountant, GTIB earned gross revenues of approximately \$2.2 million and incurred expenses of approximately \$2.1 million during this period. Net revenue was \$58,488 of which \$47,500 was drawn by Hilbert for compensation for this 11-month period.
73. GTIB's capital assets consist of 3 computers, a server, miscellaneous kitchen appliances and a Cadillac Escalade. The Receiver has taken possession of the vehicle and its ownership documents. The net book value of accounts receivable is \$17,464 most of which is overdue by 90 days or more. Accounts receivable relate to insurance premiums due from customers. The Receiver does not believe these accounts will be collected as customers will likely deal directly with insurers or engage another broker as a result of the receivership. GTIB's former employee has advised that the office furniture on-site is owned by the previous lessee of the premises, Freight Trans Ltd. ("Freight Trans"). The Receiver has not been able to confirm this with Freight Trans, which has the same mailing address as GTIB and maintains a telephone line in GTIB's offices. Between February 4 and 19, 2010, the Receiver observed that a representative of Freight Trans attended at the GTIB premises to pick up mail on only one occasion.

### **GTIB Customers and Markets**

74. The Receiver is advised that at the peak of its business in 2007, GTIB had approximately 60 customers. As a result of economic conditions and the poor state of the trucking industry, GTIB's customer base decreased to approximately 40 customers by mid-2009.
75. In July 2009, Markel terminated its broker agreement with GTIB. As such, GTIB does not have the ability to write new insurance policies or place renewals with Markel. Markel was GTIB's primary market for writing local and cross-border policies and the Receiver understands that Markel is the leading insurer in the trucking industry in North America. As a result of the termination of the broker agreement between GTIB and Markel, the Receiver is advised that GTIB has lost at least 10 significant customers to date. GTIB has not entered into an agreement with another insurance company to replace Markel.
76. As at February 4, 2010, GTIB had 15 customers remaining, including its largest customer, Concord Transportation Inc. ("Concord"). On February 10, 2010, GTIB received notice that

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Concord appointed a new Broker of Record effective February 1, 2010. Concord's annual insurance premium was approximately \$750,000 and at a 10% commission rate, GTIB's profit from this premium amounted to \$75,000. Total commissions earned during the 11-month period from January 1, 2009 to November 30, 2009 were \$212,000. Of GTIB's 14 remaining customers, approximately 7 have insurance policies with Markel which will expire on or before August 29, 2010 and which will not renew with GTIB as the Broker of Record.

77. As a result of the erosion of GTIB's customer base, Markel's cancellation of its broker agreement with GTIB and GTIB's inability to replace Markel, the Receiver believes that GTIB is not a viable business and cannot continue operations.
78. Upon review of GTIB's monthly trust and operating account bank statements that had been provided to the External Accountant by Hilbert, the Receiver noted that these bank statements did not match the bank statements received by the Receiver directly from the Bank. A discussion of the Receiver's findings to date in respect of GTIB's trust and general bank accounts follows.

#### **GTIB Trust account review**

79. As an insurance broker, GTIB was supposed to act in a fiduciary capacity and maintain a trust account for the purpose of receiving and remitting funds from and to various parties. The Receiver compared the monthly trust account bank statements received from the Bank (the "Original Statements") to the copies of the statements received from the External Accountant (the "Altered Statements") for the period February 2009 to November 2009 and found that opening and closing balances did not match and that the Altered Statements contained additional, altered or omitted transactions in comparison to the Original Statements. Copies of an Original Statement and Altered Statement for the month of September 2009 in respect of GTIB's trust account are attached hereto as Exhibits "D" and "E".
80. On several occasions, the Altered Statements excluded transactions relating to the transfer of funds from GTIB's trust account to GTIB's general account and deposits to the trust account from FTI. Several of these transfers and deposits were for amounts exceeding \$100,000. In addition to the omission of individual transactions that were inconsistent with the purpose of a trust account, the Altered Statements also concealed the fact that the trust account had been in an overdraft position on several occasions between September and November 2009. For the period February to November 2009, the Receiver found that over 40 transactions were excluded from the Altered Statements. On a number of occasions, transactions were added to the Altered



Statements and the amount of one deposit was changed. A summary of the differences in month-end balances between the Original Statements and Altered Statements in respect of GTIB's trust account for the period February 2009 to November 2009 is set out below. In each case except one, the Altered Statement reflects an inflated month-end bank balance.

81. A summary of month-end balances from GTIB's Trust Account # 2416 1084-774 is as follows:

Month	Closing Balance Per Original Statements	Closing Balance Per Altered Statements	Difference
February-09	\$52,675.47	\$245,079.47	\$192,404.00
March-09	\$29,237.20	\$621,641.20	\$592,404.00
April-09	\$36,012.13	\$83,416.13	\$47,404.00
May-09	\$5,407.67	\$5,407.67	\$-
June-09	\$27,560.06	\$264,300.06	\$236,740.00
July-09	\$141,402.01	\$378,142.01	\$236,740.00
August-09	\$23,059.20	\$140,097.31	\$117,038.11
September-09	\$67,805.27	\$166,971.48	\$99,166.21
October-09	\$14,887.98	\$35,059.19	\$20,171.21
November-09	\$524.00	\$20,700.21	\$20,176.21

82. On February 12, 2010, two representatives of the Receiver discussed the foregoing with Hilbert, who admitted to falsifying the bank statements provided to the External Accountant for the purposes of concealing inappropriate transactions and presenting a trust account balance that was "on-side" for reporting purposes to RIBO.
83. The Receiver is in possession of e-mail correspondence between Hilbert and an employee of FTI (the "FTI Employee"), who assisted him with the preparation of the Altered Statements. The e-mails between Hilbert and the FTI Employee in this regard date back to mid-2008. Hilbert maintains that the External Accountant knew nothing of the falsified documents.
84. During the meeting between Hilbert and the Receiver on February 12, 2010, Hilbert stated that the transfers in and out of GTIB's trust account began as early as 2008 and were made at the request of Chanderkant in order to help fund the operations of related companies, including FTI and FKI. Transfers were made from GTIB's trust account to its operating account, and funds were then transferred to related companies' bank accounts. Amounts were subsequently deposited back into GTIB's trust account when payments to insurance companies were required to be made.
85. GTIB was required to report its trust account balance and other asset and liability balances on a monthly basis to RIBO. The Receiver understands that the External Accountant prepared GTIB's reporting to RIBO. The Receiver reviewed the reports filed by GTIB with RIBO for the months

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of February to October 2009, which reporting was provided to the Receiver by Hilbert. GTIB's reports to RIBO indicate that the bank balances on the Altered Statements, which were provided to the External Accountant, were the balances reported to RIBO. As such, the reporting received by RIBO was incorrect.

86. In addition to the altering of bank statements, Hilbert has also admitted to falsifying accounts receivable balances for the purposes of reporting to RIBO and to using a customer's insurance premium deposit in the amount of \$1,146.60 to purchase Christmas gifts. Hilbert further advised the Receiver that current payments due to be paid from GTIB's trust account exceed the trust account balance by approximately \$12,000.
87. The Receiver has requested that the insurers with whom GTIB did business provide the Receiver with a listing of the transactions between them and GTIB for the last 120 days in order for the Receiver to reconcile GTIB's trust account. To-date, the Receiver is aware of payments totalling \$38,969 that are due for payment from the trust account; however, the balance in the trust account is only \$17,420, which is a shortfall of \$21,549. The Receiver has advised the insurers and the insurance premium finance company used by GTIB that it will not be making any payments from GTIB's trust account until it has been fully reconciled.

#### **GTIB General operating account review**

88. The Receiver also reviewed GTIB's monthly general operating account bank statements for the period February to November 2009 and found that, similar to the trust account, the statements provided by GTIB to the External Accountant did not match the original bank statements provided by the Bank. Copies of an Original Statement and Altered Statement for the month of September 2009 in respect of GTIB's general operating account are attached hereto as Exhibits "F" and "G".
89. The Altered Statements provided to the External Accountant excluded several transactions which were on the Original Statements. These excluded transactions consisted primarily of transfers from GTIB's trust account and various amounts paid to and received from related companies including FTI, FKI, JTL, 618, and 210 (the "Intercompany Transfers"). For the period February to November 2009, the Receiver found that over 100 transactions were excluded from the general operating account Altered Statements. A number of transactions were also added to the Altered Statements which were not on the Original Statements. Month-end balances for the period February 2009 to November 2009 were repeatedly overstated on the Altered Statements. A

summary of the differences in month-end balances between the Original Statements and Altered Statements in respect of the GTIB's general operating account for the period February 2009 to November 2009 is set out below.

90. A summary of month-end balances from GTIB's Operating Account #2416 1084-758 is as follows:

Month	Closing Balance Per Original Statements	Closing Balance Per Altered Statements	Difference
February-09	\$8,289.09	\$18,289.09	\$10,000.00
March-09	\$5,227.86	\$15,227.86	\$10,000.00
April-09	\$11,631.43	\$22,011.43	\$10,380.00
May-09	\$3,299.52	\$15,039.52	\$11,740.00
June-09	\$2,414.45	\$2,414.45	\$-
July-09	\$21,312.43	\$21,312.43	\$-
August-09	\$5,319.93	\$13,354.36	\$8,034.43
September-09	\$(41,685.74)	\$4,348.69	\$46,034.43
October-09	\$22,192.08	\$3,715.69	\$(18,476.39)
November-09	\$(45,827.64)	\$7,239.97	\$53,067.61

91. The Receiver is in the process of performing a detailed analysis of the bank accounts of the Companies, which will include an analysis of the Inter Company Transfers.
92. The Receiver's counsel is in receipt of a letter dated February 18, 2010 from Hilbert's counsel (the "**Hilbert Letter**") which *inter alia* proposes that Hilbert is prepared to repay the amount of GTIB's debt owing to the Bank in exchange for the release of Hilbert from any claims associated with GTIB and has also requested that the Receiver pay \$11,800 to Nordic immediately in connection with insurance premiums received by GTIB. By letter dated February 22, 2010 (the "**Receiver's Response**"), the Receiver's counsel advised Hilbert's counsel that the Receiver is not in a position to accommodate Hilbert's requests as a result of the questionable transactions involving GTIB's bank accounts. Attached hereto as Exhibits "**H**" and "**T**" are copies of the Hilbert Letter and the Receiver's Response.

#### **E – JAIN TRUCK LEASE LTD.**

93. A MTO vehicle history report indicates that JTL does not own any vehicles. JTL administers a fleet of vehicles, mostly trailers that it rents out. The rental files indicate that these vehicles are owned by either Irwin Commercial Finance Canada Corporation ("**Irwin**") or FTI.
94. Of the twenty five vehicles in JTL's portfolio, nineteen are rented to the same customer, AMJ Campbell Inc. ("**AMJ**"), under seven separate rental agreements. The rental income for the AMJ leases appears to be assigned to either Irwin or FTI. Chanderkant has advised that JTL acted as a

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clearing house for AMJ with respect to the AMJ/Irwin agreements and that JTL derives no ongoing benefit from this arrangement.

95. The current accounts receivable balance is approximately \$24,000 after deduction of a credit balance of \$222,500. The accounts receivable sub ledger shows that this credit balance is the net deposit for a customer account called "*Freight Trans – Trucks*". The Receiver will be reviewing the JTL receivables in greater detail in order to understand the nature of the transactions and to determine the collectability of the accounts.

#### **F – 2105810 ONTARIO INC.**

96. In December 2009, 210 consented to an Order for possession of the Kingston property to Comerica Bank ("**Comerica**") as part of a global settlement of litigation between Comerica and 210, 618, FKI, FTI, Alumi, the Landlord and other related parties (the "**Global Settlement**"). 210 is still on title as the owner of the property as Comerica has not yet proceeded with its power of sale.
97. 210's balance sheet shows an accounts receivable balance of \$25,873 as at December 31, 2009. The Receiver has been advised that this balance is comprised of rent payable by FKI for its occupancy of the Kingston property.

#### **NOTICES TO CREDITORS**

98. On February 12, 2010, the Notice and Statement of the Receiver ("**Receivership Notice**") was issued in accordance with sections 245(1) and 246(1) of the BIA. A copy of the Receivership Notice is attached hereto as Exhibit "**J**".

#### **REVIEW OF GENERAL BANKING ACTIVITY**

##### **Analysis performed to date**

99. The Receiver obtained the following banking documentation for January 2009 to January 2010 including bank statements, deposit books, cash receipts records (remittance advices, copies of cheques, accounting entries), general ledger activity reports, and cheque books, for the Companies:
- a. FTI (BMO Accounts 2416-1082-170 and 2416-4612-172)
  - b. FKI (BMO Accounts 2416-1085-654, 2416-4612-623 and 2416-8108-548)
  - c. JTL (BMO Accounts 2416-1083-077 and 2416-4612-244)
  - d. GTIB (BMO Accounts 2416-1084-758 and 2416-1084-774)

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- e. 618 (BMO Accounts 2416-1085-742 and 2416-4612-754)
  - f. 210 (BMO Account 2416-1086-198)
100. The Receiver has undertaken an analysis of the sources and uses of funds by the Companies for the period July 2009 to January 2010. This period saw an increase of the total debt owing to the Bank from \$6 million to approximately \$10 million. The objective of the Receiver's analysis is to understand the sources and use of funds by the Companies, identify the extent of funds transferred during this period to entities related to the Companies, and to assess whether the Companies or others related thereto may have benefited from any apparent kiting activity which may have occurred during this period.
101. The Receiver's analysis for the period July 2009 to November 2009 is substantially complete; however the source of certain transfers in and out of the Companies' accounts remain unidentified due to lack of documentation found to date. The analysis for December 2009 and January 2010 has yet to be completed.
102. There were transfers identified during July to November 2009 between the Companies and the following parties, who have been identified as being potentially related parties to the Companies:
- a. Truck Depot Expedite
  - b. Freight Trans Limited
  - c. 6145086 Canada Inc.
  - d. 6356532 Canada Inc.
  - e. 2215296 Ontario Inc.
  - f. 1354198 Ontario Inc.
  - g. Alumi-Bunk Corporation
  - h. Truck Depot.Com
103. The Receiver may require additional information from these parties and others which may be identified pending the completion of its analysis in order to ascertain the nature and purpose of these transactions. The Receivership Order granted the Receiver the right to bankrupt any of the companies and the Receiver expects that it may do so as required to enable examination of persons having knowledge of the affairs of the Companies, and to fix review dates for reviewable transactions.
104. There were a significant number of transfers between the Companies for the entire period of review, although the Receiver did observe an increase in this activity starting in September 2009.

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Further analysis is required in order to determine whether the Companies benefited from the alleged kiting activity.

### **Proposed Activities**

105. The Receiver proposes to complete the sources and uses of funds analysis for the period July to January 2010, which will include the following activities:
  - i. Complete the analysis of the Companies' bank activity for December 2009 and January 2010;
  - ii. Obtain and review additional supporting documentation in order to identify the source of any significant inflows or outflows to/from any of the Companies' accounts for which a source cannot be readily identified from the documentation on hand; and
  - iii. Obtain additional supporting documentation and information for any outflows identified through the course of the analysis which were disbursed to companies potentially related to the Companies in order to determine the nature and purpose of these transactions. This may include performing corporate searches on companies for which the Receiver does not have information in order to identify whether the entity is related to the Companies.

## **IV. Proposed Marketing and Sales Process**

### **FTI – Inventory of Vehicles**

106. The Receiver recommends that the vehicles at the Dixie Location be liquidated by means of an auction in order to effect the sale of all the vehicles in a timely fashion and minimize realization costs. While a retail sale may possibly attain a higher sale price per vehicle, any potential gains would be eroded by the additional costs (rent or storage, insurance, sales staff, advertising) that would be incurred over the length of time required to sell 30 to 40 vehicles on a retail basis.
107. The Receiver has invited two auctioneers/liquidators who deal extensively in the trucking industry to attend at the Dixie Location to review the inventory and to submit a proposal for the liquidation of FTI's inventory of vehicles.
108. The Receiver anticipates that the aggregate consideration for such transaction(s) will exceed \$250,000, based on the current inventory of vehicles. As such, the Receiver will require the

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approval of this Honourable Court to proceed as provided for in paragraph 3(1) of the Receivership Order.

109. The Receiver hereby seeks the approval of this Honourable Court to enter into an agreement with an auctioneer/liquidator for the sale of the FTI vehicles. Prior to any sale, the Receiver will seek the consent of any party holding a valid security interest over any of the vehicles.

### **FTI – Lease Portfolio**

110. If the Receiver determines that the Lease Portfolio is saleable, it hereby seeks this Honourable Court's approval of the Receiver's sales process which would consist of:

- Preparation of a one page "Team Document" outlining the investment opportunity for distribution of interested parties;
- Advertising the investment opportunity in the national edition of the Globe and Mail;
- Preparation of a confidential information memorandum which would outline all of the terms and conditions of sale to be distributed to potential purchasers subject to their signing a confidentiality agreement;
- Seeking this Honourable Court's approval of an executed purchase agreement between the Receiver and the potential purchaser.

111. If, after the Receiver completes its analysis of the Lease Portfolio, it determines that the Lease Portfolio is not of a size or quality that it could realistically sell to a third party, the Receiver intends to administer the leases until the end of their respective terms.

### **618 - Property**

112. 618's principal asset is the Tomken Property. The Receiver hereby seeks this Honourable Court's approval to obtain an appraisal of the Tomken Property and have it listed for sale with a nationally recognized licensed real estate firm. Any sales transactions for the Tomken Property will be presented to this Honourable Court for approval.

### **FKI**

113. Since its appointment, the Receiver has received multiple formal and informal offers on the vehicles, inventory, parts and tools located at the Belleville Location. In addition, the Receiver has requested proposals for the sale of FKI's assets from three third party liquidators.

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114. Once the Receiver has received offers from the three liquidators, it will be in a better position to assess the realizable value of FKI's assets.
  115. The Receiver does not anticipate that the inventory, vehicles, tools and shop equipment will realize more than \$250,000.
  116. The Receiver recommends that a sale of the assets be completed as soon as possible in order to minimize the cost of remaining in possession of the Belleville Location.

## V. Receiver's Cash Receipts and Disbursements

117. Attached hereto as Exhibit "K" is an interim statement of the Receiver's cash receipts and disbursements for the period February 4 to 19, 2010 which shows a surplus of cash receipts over disbursements of \$273,861. Included in the Receiver's receipts is \$250,000 from the issuance of a Receiver's Certificate to the Bank which was required in order to fund the costs of administering this receivership estate.

## VI. Conclusion

118. The Receiver respectfully requests that this Honourable Court grant an Order which provides for the following:
  - a) approval of the activities of the Receiver since its appointment on February 4, 2010;
  - b) approval of the proposed Sales Process to be carried out by the Receiver as described in paragraphs 106-116 of this report; and
  - c) authorizing the Receiver to complete its proposed review and analysis of the sources and uses of funds for the period July 2009 to January 2010.



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All of the foregoing is respectfully submitted to this Honourable Court as of this 23<sup>th</sup> day of February, 2010.

**Deloitte & Touche Inc.**

In its capacity as Court-appointed Receiver of  
Financial Transport Inc., Freightliner of Kingston Inc.,  
6181732 Canada Inc., Global Transport Insurance Brokers Inc.,  
Jain Truck Lease Ltd. and 2105810 Ontario Inc.  
and not in its personal capacity



Robert J. Bougie, CA • CIRP  
Senior Vice-President

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**EXHIBIT A – RECEIVERSHIP ORDER**

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Court File No. CV-10-8556-00CL

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

THE HONOURABLE MR. ) THURSDAY, THE 4<sup>th</sup> DAY  
JUSTICE CAMERON ) OF FEBRUARY, 2010

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

FINANCIAL TRANSPORT INC., FREIGHTLINER OF KINGSTON INC.,  
6181732 CANADA INC., GLOBAL TRANSPORT INSURANCE BROKERS INC.,  
JAIN TRUCK LEASE LTD. and 2105810 ONTARIO INC.

Respondents

APPLICATION UNDER Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C 1985, c. B-3, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43.

**ORDER**

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 Deloitte & Touche Inc. as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of the Respondents acquired for, or used in relation to a business carried on by the Debtors (the "Debtors") was heard this day at 330 University Avenue, Toronto, Ontario.

Respondents  
*[Signature]*

*the Report of Deloitte & Touche Inc. dated February 4, 2010*  
*Business Development Bank of Canada*  
*The Respondents*  
*The affidavit of Chandrakant Jain sworn January 29, 2010*

ON READING the affidavit of Ian Leggett sworn January 27, 2010 and the Exhibits thereto, and on hearing the submissions of counsel for the Applicant, Corporation Alter Moneta / Alter Moneta Corporation and CIT Financial Ltd., ~~no one appearing for the Respondents, although duly served as appears from the affidavits of service of Neil Haigh sworn January 28, 2010, and on the consent of the Applicant and the Respondents,~~

## 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, Deloitte & Touche Inc. 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 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 undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) 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;

- (k) 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;
- (l) 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, provided that the aggregate consideration for all such transactions does not exceed \$500,000; 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.

- (m) 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;
- (n) 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;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

- (p) 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;
- (q) to make an assignment in bankruptcy on behalf of any or all of the Debtors;
- (r) 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;
- (s) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (t) 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 Debtor, and without interference from any other Person.

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

4. 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.

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 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.

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.

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

7. 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**

8. 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**

9. 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**

10. 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**

11. 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 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 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**

12. 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**

13. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor 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**

14. 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**

15. 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**

16. 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, 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**

17. 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, 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.

18. 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.

19. 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 normal 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**

20. 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 \$250,000 (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.

21. 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.

22. 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.

23. 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.

#### **GENERAL**

24. 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.

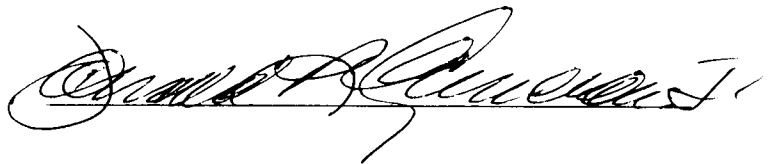
25. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

26. 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.

27. 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.

28. 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 Debtors' estate with such priority and at such time as this Court may determine.

29. 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.



ENTERED AT / INSCRIT A TORONTO  
ON / BOOK NO.  
LE / DANS LE REGISTRE NO.:

FEB 04 2010

PER / PAR: *JSN* Joanne Nicoara  
Registrar, Superior Court of Justice

## SCHEDULE "A"

### RECEIVER CERTIFICATE

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

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

1. THIS IS TO CERTIFY that Deloitte & Touche Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of [DEBTORS' NAME] 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 1st day of February, 2010 (the "**Order**") made in an action having Court file number CV-10-8556-00CL, 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 \_\_\_\_ .

Deloitte & Touche LLP, solely in its capacity  
as Receiver of the Property (as defined in the  
Order), and not in its personal capacity

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



**BANK OF MONTREAL**  
Applicant

and

**FINANCIAL TRANSPORT INC., et al.**  
Respondent

Court File No. CV-10-8556-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceedings commenced at TORONTO

**ORDER**

**CHAITONS LLP**  
Barristers and Solicitors  
185 Sheppard Avenue West  
Toronto, ON M2N 1M9

**Christopher J. Staples**  
LSUC Registration No. 31302R  
Tel: (416) 218-1147  
Fax: (416) 218-1847

Lawyers for the Applicant

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**EXHIBIT B – INITIAL ORDER**

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Superior Court of Justice  
Commercial List

FILE/DIRECTION/ORDER

BMO

Plaintiff(s)

AND

Financial Transport Inc et al

Defendant(s)

Case Management  Yes  No by Judge: \_\_\_\_\_

Counsel	Telephone No.:	Facsimile No.:
<u>See attached</u>		

- Order  Direction for Registrar (No formal order need be taken out)
- Above action transferred to the Commercial List at Toronto (No formal order need be taken out)
- Adjourned to: \_\_\_\_\_
- Time Table approved (as follows):

BMO applies for the appointment of an I.R. or a Receiver. The respondents, who were served on Thursday ~~February 1, 2010~~, object.

BMO is a secured creditor + lender to all the respondents except Jain Truck Lease Ltd. + 2105810 Ontario Inc. The latter two companies are bank customers but not borrowers.

BMO made demand on the debtors on Thursday. It alleges that the respondents have engaged in cheque kiting which has resulted in unauthorized overdrafts in the accounts of Jain Truck + 210 and the exceeding of the authorized limits on the loan facilities of the other respondents. BMO has not permitted further withdrawals. It has a concern that the respondents are depositing funds elsewhere + thereby dissipating the Bank's security. The Bank seeks the appointment of a Receiver to take control

Feb 1, 2010

Date

Scipall J.

Judge's Signature

Superior Court of Justice  
Commercial List

**FILE/DIRECTION/ORDER**

Judges Endorsement Continued

of its security.  
The respondents seek an adjournment in light of the short notice + a perceived need to cross examine. They state that they are depositary receipts into the BMO accounts only. BMO has been closely monitoring the respondents' bank accounts and Bellette could be appointed as monitor to monitor receipts + disbursements. Their counsel submits that the appointment of a receiver would have a very negative effect on any potential sales of the respondent, freemitter of liquidation Inc. In addition to short notice, has not been given + there is no real urgency.

I am granting the request for an adjournment to Thursday, Feb 4, 2010 for 2 hours on the following terms:

- 1) Bellette is appointed a monitor to an interim basis to monitor the affairs of the respondents + their receipts + disbursements. This term is proposed by the respondents + Bellette consents to this appointment. The respondents are to cooperate fully with the monitor - Thursday
- 2) The respondents agree to make all deposits to BMO accounts of small value.
- 3) Given that the basis of BMO's concern is cheque hitting + given that, based on the statements, this should have been a concern in December, I am not satisfied that the requisite urgency is ~~there~~ present on which to grant the relief requested on short notice.
- 4) Provided that the monitor was satisfied itself with respect to

Superior Court of Justice  
Commercial List

**FILE/DIRECTION/ORDER**

Judges Endorsement Continued

The appropriateness of the proposed payroll disbursement that was due on Jan 29, 2010 + provided it does not extend to any of the principals or any of the respondent companies, + provided funds are received to fund that payroll, the member may authorize a payroll disbursement up to the amount of \$20,000.

5) As to the issue of finding or counsel of the respondents, that issue may be dealt with on Feb 4, 2010 by the judge hearing the matter.

6) Apart from the aforementioned payroll, there shall be no additional disbursements unless (a) the member has a concern about an emergency and (b) new funds have been deposited to address such an emergency.

7) The bank shall deliver responses materials today + X's shall take place tomorrow.

*R. Lyall, J.*

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**EXHIBIT C – MONITOR’S REPORT**

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN

**BANK OF MONTREAL**

*Applicant*

**- and -**

**FINANCIAL TRANSPORT INC., FREIGHTLINER OF KINGSTON INC., 618732 CANADA  
INC., GLOBAL TRANSPORT INSURANCE BROKERS INC., JAIN TRUCK LEASE LTD., and  
2105810 ONTARIO INC.**

*Respondents*

**APPLICATION UNDER Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3 , and  
Section 1010 of the *Courts of Justice Act*, I R.S.O. 1990, c.C43.**

**MONITOR'S REPORT**

**February 4, 2010**

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## Introduction

On January 28, 2010, Bank of Montreal (the "Bank") filed an application with this Honourable Court for an order appointing Deloitte & Touche Inc. as receiver without security of the present and future property, assets and undertaking of Financial Transport Inc., Freightliner of Kingston Inc., 6181732 Canada Inc., Global Transport Insurance Brokers Inc., Jain Truck Lease Ltd., and 2105810 Ontario Inc., collectively (the "Companies").

The Banks' motion was adjourned by the Honourable Madam Justice Pepall on the terms that Deloitte & Touche Inc. be appointed as monitor on an interim basis (the "Monitor") to *inter alia*:

- a) Monitor the affairs of the Companies and their cash receipts and disbursements
- b) Satisfy itself with request to the appropriateness of the Companies' payroll that was due on January 29, 2010 and to authorize payment of same up to the amount of \$20,000
- c) Approve any emergency disbursements the Monitor deemed to be necessary

The terms of Madam Justice Pepall's adjournment also provided *inter alia* that:

- a) The Companies cooperate fully with the Monitor
- b) The Companies make all deposits to their existing accounts with the Bank
- c) The Companies make no additional disbursements unless approved by the Monitor.

## Purpose of Report

The purpose of the Monitor's report is to report to this Honourable Court on the Monitor's findings from its visits to the Companies' premises on February 2 and 3, 2010.



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## Financial Transport Inc. ("FTI")

### Background

FTI is a financial services company that provides lease financing and sells new and used transport vehicles to operators in Canada and the United States.

FTI rents leased premises at 7280 Dixie Road, Mississauga from a related party company, 1354198 Ontario Inc. ("135"). This location is also the registered address for other related companies including 135 and 6181732 Canada Inc. and employees on FTI's payroll also do work for the related companies.

### Payroll

FTI has eight employees on its payroll, which includes the CFO, five office staff, and three drivers. The gross payroll for the period January 9 to 22, 2010 is \$14,593. FTI does not use an outside payroll service provider.

### Cash Receipts & Disbursements

No disbursements, other than payroll, were made during the period February 1 to 3, 2010. Cash receipts totaled \$42,242.46, net of one returned NSF item. \$40k was comprised of preauthorized monthly lease payments processed by FTI on February 1, 2010. Management advises that the next batch of preauthorized lease payments will be processed on February 5, 2010.

### Most Recent Financial Statements

The Monitor requested a copy of monthly financial statements for the last twelve months; however, management advised that they do not prepare monthly financial statements.

The Monitor was provided with the draft financial statements for the year ending June 30, 2009.

<b>Assets</b>	
Accounts receivable	\$ 330,516
Investment in leases current portion	3,402,269
Investment in leases	6,347,784
Inventory	1,001,510
Advances receivable – related companies	4,099,207
Other	85,169
	<u>\$15,266,455</u>
<b>Total Liabilities</b>	
Bank overdraft	\$ 538,371
A/P and accrued liabilities	1,570,569
Customer deposits	129,781
Liens payable	500,284
Long-term debt	4,021,001
Loans payable – related parties	6,717,373
	<u>13,477,379</u>
<b>Shareholders Equity</b>	<u>1,789,076</u>
	<u>\$15,266,455</u>

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**Revenues**

Finance income:	
Total lease payments during the year	\$ 3,378,615
Less: principal portion of lease applied	(2,481,902)
Add: other interest income	<u>287,355</u>
Total finance income	1,184,068
Miscellaneous revenue	264,143
Profit on sale of trucks	<u>623,796</u>
	<u>\$2,061,187</u>
 Net income	 <u>\$502,131</u>

The total lease portfolio as of June 30, 2009 was \$9.7M. Total liabilities excluding related party loans were \$6.7M.

The Monitor observed many related party transactions and is awaiting clarification from Mr. Jain as to the nature of these transactions.

Current Status

*Leases:*

The Monitor was provided with a lease portfolio schedule dated December 31, 2009. The lease portfolio shows the following:

- Total accounts receivable over the term of the leases of \$8,511,982.
- Total residual value of \$1,812,385 at expiry of the leases.
- Approximately 170 leases with lease start dates ranging from 2005 to 2009 and 6 to 72 month terms.
- Twenty-six vehicles not on lease, with a current cost of \$718,972 as at December 31, 2009.
- Total monthly lease payments of \$268,616. On an annualized basis, this would represent approximately \$3.2 million per year, which is comparable to the total reported lease payments for the year ending June 30, 2009.

The Monitor requested copies of selected leases to review but these have not been provided as yet.

*Inventory:*

There were approximately 50 tractors/trailers parked at the 7280 Dixie Road location. The Monitor was advised that some of these vehicles belong to Freightliner of Kingston, and some of them belong to third parties who rent parking space. The Monitor requested but has not yet been provided with an inventory list. The Monitor also requested a tour to identify the ownership of the vehicles but was advised that there was no one on site who was available to facilitate this request.

FTI's current accounts payable listing shows a balance of \$907k. Of this total, \$625k is owed to Wabash for the purchase of trailers; \$305k is aged 1-30 days and \$320k is aged over 90 days.

FTI was in a GST refund position for December 2009. Source deductions of \$6,007 and PST of \$1,655 were remitted for December 2009 in January 2010.

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The Monitor has requested monthly sales information in order to understand the expected sales volume. This information has not yet been provided.

Management and Co-operation

Mr. Chandercant Jain was not available on site to answer any questions.

Ms. Robin Stoeckle, FTI's CFO, was not in the office and was not available to answer any questions. The Monitor was advised that this is due to health reasons.

Some preliminary discussions were held with junior accounting staff who were not able to provide answers to all of the Monitor's questions. The Monitor has been advised to direct all requests for information to Mr. Jain.

Several requests for information and questions remain outstanding.

---

## **Freightliner of Kingston ("FKI")**

### Background

FKI was a Freightliner dealership. FKI's franchise agreement was terminated at the beginning of January 2010. FKI is no longer able to sell Freightliner, Western Star or Sterling vehicles, unless the vehicle has been purchased and paid for.

FKI's Kingston location was closed in December 2009 and all the furniture and equipment was removed and is currently being stored at the Belleville location. All employees at the Kingston location were terminated. The property is owned by 2105810 Ontario Inc.

FKI also operates as a service centre. When FKI had their Freightliner franchise, they were authorized to do warranty work, but can no longer offer that service. However, FKI continues to repair Freightliner vehicles as they have all the required equipment.

FKI still sells vehicles which include their used truck inventory and any owned tractors.

### Payroll

There are currently eleven employees on FKI's payroll. There are also currently three staff who have been temporarily laid off.

FKI's payroll is managed through a service provider – NEBS PAYweb.ca. Payroll is paid every week via electronic funds transfer to NEBS on Wednesday for disbursement to employees via direct deposit on Thursday. Employees are paid one week in arrears.

As at the beginning of January 2010, the employee headcount was 23 and the gross payroll was \$21,146.67 for the week ending January 9. This payroll was paid for by 6181732 Canada Inc.

For the week ending January 16, the gross payroll of \$23,413.71 was funded by TruckDepot.com (a related company), but the funds came from money collected by TruckDepot.com which were payable to FKI.

For the week ending January 23, the gross payroll was \$13,750.84 for 13 employees and this payroll was funded by a company called Crew Chief Conversions.

For the week ending January 30, the gross payroll was \$12,218.60 (12 employees including one employee who has been laid off). This amount is outstanding and was due to be paid to NEBS on February 3, 2010.

There was also a payment for severance and termination that was not made last week in the amount of approximately \$14,000.

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For the week ending February 5, gross payroll is estimated to be \$10,963.85, assuming all eleven employees work a full week.

Cash Receipts & Disbursements

Total cash receipts for February 1 to 3, 2010 were \$9,249.54. No disbursements were made.

Most Recent Financial Statements

The Monitor was provided with the internal (unaudited or reviewed) balance sheet and income statements as at February 2, 2010. FKI's year end is September 30. Highlights of the statements are shown below.

**Total assets of \$2,126,535**

- \$219,360 of accounts receivable
- Inventory: Consists of new and used vehicles (tractors and trailers, as well as spare parts)
  - \$391k transferred from Kingston
  - \$800k of new/used tractors and trailers (only 3 are located on site in Belleville)
- \$132k of WIP
- \$866k of capital assets, net book value (equipment, leaseholds, furniture, vehicles, computers)

**Total Liabilities of \$1,588,822**

- \$367k due to Freightliner (floor plan financing)
- \$253k trade accounts payable
- Net amounts due to and from related parties
  - \$1,053k due from FTI
  - \$781k due to owners/officer
  - \$288k due to 2105810 Ontario
  - \$420k due to E. Jain

**Total revenue to date: \$2,663,822.**

*Assets:*

\$42k of the accounts receivable is owed from a related party. \$35k is greater than 90 Days. Terms are typically 30 days with some customers having 60 day terms

Only 3 used vehicles listed on the new and used vehicle (tractors and trailers) inventory are located on site. According to the internal listing – there appear to have been 8 new tractors on the listing, and 21 used tractors or trailers. Management advises that they assume the 26 missing vehicles are located in Mississauga; however could not confirm that as fact.

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Inventory from Kingston is located on site but has not been fully counted or recorded (mainly spare parts and furniture and equipment). No recent inventory count has been performed on spare parts or capital assets.

Five owned vehicles are on site (Volvo, BMW, Sprinter Van, Cube Van, Ford Econoline). The Monitor does not have a detailed listing of vehicles owned by FKI. Insurance records indicate that there are 15 vehicles under the FKI policy. Management assumes 10 vehicles are in Mississauga or being used by the owners (listing includes Lexus, Mercedes (4), Sebring, Saturn, Ford Ranger, Taurus, GMC 3500).

*Liabilities:*

Total accounts payable are \$164,841 (of which \$34,080 is a related party debt.) \$76k is greater than 60 days, with a further \$21k being greater than 90 days.

Rent is payable to a related company, 6145086 Canada, for \$29,925.00/month

Source deductions are remitted by the payroll service provider.

The Ministry of Finance (PST) liability for December 2009 is \$2,337. The PST liability for January has been estimated to be approximately \$19,000. The GST liability for January has been estimated to be \$18,146.

Sales for the three and a half months since September 30, 2009 are reported as \$2.6M which seems high as total sales for the year ended September 30, 2009 were only \$3.6M. With the loss of the Freightliner franchise, and the shutdown of the Kingston location, sales levels are expected to drop. There has been a reduced level of business since customers and suppliers became aware of the current situation. Quick general maintenance is still being provided on a daily basis. Some bigger repairs are being done on engines but it is for two trucks owned by Truckdepot.com.

Management and Co-operation

We have received full co-operation from on site management and staff in Belleville.

Not all supporting documentation is available in Belleville as some items were removed in the previous week by Eric Jain (e.g. Asset listing support – journal entry support).

The owners/principals have not been present during our visit.

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### Other Observations

Management on site advised that a tractor was sold in January 2010 and that the funds may have not been received yet pending financing for the transaction. Management on site at Belleville were unable to confirm the status.

There are some critical payments to be made including:

- Union Gas – A discontinuation notice was received on January 29. The amount due is \$3,290.36.
- Benefit Trust – Payments for employee benefits is in 2 months arrears.
- Insurance on company vehicles – Payments are in arrears. Vehicles are being driven, but only 5 vehicles are identified as being located in Belleville. No cancellation notice has been received to date.

The Monitor was informed that last week the Owners told all staff they were terminated and they should go home. This was later re-canted, and all staff were asked to come to work for Monday.

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## 6181732 Canada Inc. ("618")

### Background

618 is the owner of a property located at 4598 Tomken Rd., Mississauga.

The property was developed for use as a parking facility for tractor trailers. To date, 618 has been unable to obtain the required rezoning to allow the property to be rented for parking.

### Payroll

618 is reported to have no employees.

### Cash Receipts & Disbursements

No receipts were collected and no disbursements were made during the period February 1 to 3, 2010.

### Most Recent Financial Statements

The Monitor was provided with a copy of the financial statements (Notice to Reader) for the year ending December 31, 2008. Highlights of the statements are as follows:

<b>Total Assets</b>	\$4,684,838
Land under construction	\$4,621,687
<b>Total Liabilities</b>	<b>\$4,720,827</b>
A/P and accrued liabilities	\$319,438
Due to related company	\$1,769,596
Due to shareholders	\$977,482
Long-term debt	\$1,654,311

The only revenue in 2008 was interest income.

Bank of Montreal has a mortgage for \$3.6M against the Tomken Road property.

Both Alter Moneta and Comerica Bank have outstanding PPSA registrations against 210. The Monitor has been advised that Comerica Bank has been paid out.

### Current Status

618 has no rental revenue due to the current rezoning issue.

The Monitor understands that a portion of the Tomken Road property is to be sold and have been referred to Mr. Fred Tayar, 618's legal counsel, for an update on the status of the sale. The Monitor has been advised by Mr. Jain that the sale is conditional on obtaining approval from the City of Mississauga to allow the portion of the property to be severed and sold and that closing of the sale is scheduled for April 2010.

618's accounts payable listing as at February 3, 2010 shows an outstanding balance of approximately \$55,000, aged over 90 days, before deduction of prepaid retainer balances.



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Management and Co-operation

The Monitor has not been able to meet with Mr. Jain and our communication with him has been via e-mail. The Monitor has been advised to direct all requests for information to Mr. Jain.

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## **Global Transport Insurance Brokers (“GTIB”)**

### Background

GTIB is located at 1215 Meyerside Dr. Unit 2A, Mississauga.

GTIB is an independent insurance broker for companies in the trucking industry who operate within Ontario.

Robert Hilbert, the Managing Partner, started GTIB in 2005 with the assistance of a shareholder loan from Chanderkant Jain. According to Mr. Hilbert, there is no written partnership agreement with Mr. Jain.

GTIB’s business is separate from FTI and its related companies. GTIB does not communicate with FTI on a daily basis. FTI may sometimes refer work to GTIB, but most of its business is generated by Mr. Hilbert.

### Nature of Operations

GTIB has only non-binding authority for all of its clients and has contracts with insurers such as Markel, Jevco and Facility (Nordic). They also do business with TRU which is an open market insurance company; therefore there is no direct contract with GTIB. The Monitor had requested copies of the insurance contracts, but were told none were available at their head office as Mr. Hilbert keeps them in a safe at home.

GTIB earns an industry standard 10% commission on all policies issued.

As insurance premiums for trucks are very expensive, financing companies usually finance the annual premium, which is paid to the broker, and the finance company then collects the monthly payments from the policy holder. The average annual premium is \$65,000 and GTIB’s largest policy holder has an annual premium of \$750,000.

GTIB has a trust account with Bank of Montreal which is segregated from its general operating account. This account is used solely to deposit annual premiums paid by the financing companies and a down payment paid by the policy holder. (The down payment is similar to a first month deposit which financing companies require their customers to pay directly to the broker or insurance company.) These deposits are required to be remitted to the insurance companies within 30 to 60 days, less the 10% commission payable to the broker. The only disbursements from the trust account would be commissions payable to the broker which are transferred to GTIB’s general bank account and remittances to the insurance companies.

GTIB advises that they have E&O insurance.

---

## Payroll

There is only one employee in addition to Mr. Hilbert who helps manage the administrative duties of the company. This employee is paid on a bi-weekly basis, and for the two weeks ending January 29, 2009 is owed gross pay of \$2,083.33.

According to Mr. Hilbert, the source deduction payments outstanding as of January 15, 2010 are \$1,700 and they are due on February 17, 2010. The vacation pay liability, if any, owing to this employee is small as vacation days are used frequently by the employee.

Mr. Hilbert is not paid on a salary basis and instead will make withdrawals from the company when cash flow permits.

## Cash Receipts & Disbursements

There were no disbursements or receipts from February 1 to 3, 2009. A remittance of \$6,800 from the trust account to one of the insurance companies is currently due and the next incoming payment is expected on February 7<sup>th</sup> for \$18,000. Future disbursements to insurance companies will be made as statements are received.

## Most Recent Financial Statements

GTIB's year end is October 31; however, no financial statements for the year ended October 31, 2009 were provided. The Monitor was advised that GTIB's accountant is still in the process of completing them.

Unaudited (review) financial statements for 2008 were available and indicate that GTIB was profitable for the year, earning net income of \$30k on revenue of \$1.7M which represents a sales increase of 55% from 2007. GTIB currently has approximately 35 policy holders with a client base of \$2.2M (total annual premiums).

There are only minimal assets owned by GTIB which are of minor value. These include office furniture and computers.

Three vehicles are listed on GTIB's PPSA:

- 2009 Cadillac Escalade – Mr. Hilbert leases this car and it appears to be his primary means of transportation.
- 2006 Mercedes Benz SLK55 – Mr. Hilbert leases this car as well.
- 2008 Freightliner FLD 120 Dump – Per Mr. Hilbert, this vehicle is not active and may have been sold recently

Liabilities as at October 31, 2008 included \$97k in accounts payable and accrued charges and \$264k due to shareholders.

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### Current Status

Business has been improving on a yearly basis and most clients tend to renew policies with GTIB. The day-to-day activity of operating the company appears to require minimal effort, as once a client's policy has been approved and the down payment and annual premium collected, there is little involvement by the broker until the policy needs to be renewed again.

On December 31, 2009, GTIB's general operating bank account showed a balance of (\$49,823.15). GTIB's trust account showed a balance of \$524 on December 1, 2009 and a balance of \$96,800.50 on December 31, 2009 which would indicate that the December 31 balance reflects premiums received during the month. The Monitor was advised that all of this balance except for the 10% broker's commission will be remitted to the insurance companies in due course. The Monitor noted in December 2009 that there was only one cheque written on the trust account, which was payable to a finance company for a refund received on a customer's premium. Commissions of \$14,000 were transferred from the trust account to the general bank account during the month.

As at February 1, 2010, the accounts receivable balance was \$90,680 of which \$28,204 is due from related parties. Only one of these related parties is a named respondent and owes \$6,035 to GTIB. The receivables balance is comprised of down payments still owing from GTIB's customers, as well as credits refunded to policy holders by insurance companies. Credits are typically issued if there is a change to a policy holder's coverage which would lower their annual premium. Most of this balance is over 90 days, but Mr. Hilbert expects all of the accounts receivable to eventually be collected.

As at February 3, 2010, the amount payable to insurance companies was \$37,892.80. The Monitor had requested a current listing of accounts payable, but Mr. Hilbert was only able to generate a listing of amounts due to insurance companies. A listing of the business related payables was not provided.

GTIB moved from its Tomken Rd. location to Meyerside Dr. approximately one year ago. The current lease at Meyerside expires in 2 years and monthly rent payments are \$1,654.

As an independent insurance broker, they are not responsible for collecting GST or PST.

### Management and Cooperation

Neither Mr. Hilbert nor the one employee were in the office on February 2, 2010 or available to answer any questions and the Monitor met with Mr. Hilbert on February 3, 2010.

Mr. Hilbert was very helpful in responding to our questions about GTIB and providing supporting information where available. The Monitor had requested copies of policies to corroborate that they do exist and to review the terms; however, Mr. Hilbert advised that he would be unable to allow the Monitor to review the policies as this would violate the Privacy Act. He also refused to provide a customer list showing annual premiums as this too would violate the Privacy Act.

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The Monitor had questioned Mr. Hilbert about recent increased activity in the company's operating account during the past few months, specifically with respect to cheque deposits through automated banking machines and subsequent payments for similar amounts. Mr. Hilbert responded by saying that only he and Sonia Jain, who had previously worked for the company, had signing authority on GTIB's bank account. He furthered stated that Ms. Jain would transfer money through GTIB to related parties from time to time and he is uninvolved with those transactions. Ms. Jain's employment with GTIB ended in 2008, yet she still has signing authority with the company.

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## Jain Truck Lease Ltd. ("JTL")

### Background

JTL was incorporated on April 12, 2007. The Monitor has been advised that JTL is in the business of maintaining vehicles and that it also has some trailers leased through 3rd party leasing companies that it rents out.

JTL was formerly located in Belleville with one person managing the operations. The business was transferred to Mississauga in January/February 2008 and all records and documentation were forwarded at that time.

There is currently no activity for this company at the Belleville location. JTL's only remaining presence in Belleville is a phone line which is forwarded directly to Toronto. One employee in Mississauga deals with this company.

### Payroll

The one employee in Mississauga who deals with JTL is on the payroll of Financial Transport Inc.

### Receipts & Disbursements

No receipts were collected and no disbursements were made during the period February 1 to 3, 2010.

### Most Recent Financial Statements

The Monitor was provided with a copy of the financial statements (Notice to Reader) for the year ending June 30, 2008. The Monitor has been advised that the financial statements for the year ending June 30, 2009 have not been finalized. Highlights of the 2008 statements are as follows:

<b>Total Assets</b>	\$524,327
Accounts receivable	\$74,879
Prepaid expense and deposit	\$118,242
Capital assets (trailers)	\$313,750
<b>Total Liabilities</b>	\$524,575
Accounts payable and accrued liabilities	\$125,486
Trailer loan payable	\$363,742
Sales	\$423,820
Net income	\$2,466

### Current Status

JTL is not currently operating as its National Lease account was suspended on December 10, 2009. Formal notice of the termination of its franchise agreement with National Lease was received in Belleville this week.

Management advises that currently there is no inventory.

---

The Monitor has requested a copy of the current receivables listing, but has not received a copy to date.

The accounts payable listing as of February 3, 2009 shows an outstanding balance of \$165,650, of which \$40k is aged 1-30 days, \$95k is aged over 90 days, and the largest single account is \$60k owed to All Make Car & Truck Repair Inc.

Management and Co-operation

We have not been able to meet with Mr. Chanderkant Jain and our communication with him has been via e-mail. We have been advised to direct all requests for information to Mr. Jain.

---

## 2105810 Ontario Inc. (“210”)

### Background

210 is the owner of a rental property located at 29 Dalton Road, Kingston.

The premises were previously occupied by Freightliner of Kingston (“FKI”) which vacated the premises at the beginning of January 2010. The property is currently unoccupied.

### Payroll

210 is reported to have no employees.

### Receipts & Disbursements

No receipts were collected and no disbursements were made during the period February 1 to 3, 2010.

### Most Recent Financial Statements

The Monitor was provided with a copy of the financial statements (Notice to Reader) for the year ending December 31, 2008. Highlights of the statements are as follows:

<b>Total Assets</b>	\$5,474,094
Land and building	\$5,384,125
<b>Total Liabilities</b>	\$5,522,234
Due to related company	\$1,019,123
Due to shareholders	\$1,729,896
Long-term debt	\$2,752,000
Rental revenue	\$291,500

The land and building are recorded on the balance sheet at \$5,384,125, with land accounting for only \$232,017 of that balance.

Both Alter Moneta and Comerica Bank have outstanding PPSA registrations against 210.

### Current Status

All furniture and equipment belonging to FKI was transferred to the Belleville location in January 2010.

The Monitor has requested a copy of the updated accounts receivable listing. Accounts receivable as at December 31, 2008 were only \$29k.

The accounts payable listing as at February 3, 2010 shows outstanding payables of \$120,326. Of this total, Comerica Bank is owed \$116,037.

The Monitor understands that the property is to be sold and have been referred to Mr. Fred Tayar, 210’s legal counsel, for an update on the status of the sale.



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The Monitor has been advised by Mr. Chanderkant Jain that Comerica Bank took the 29 Dalton Road property as a global settlement of their claims against 210 and 618. The accounts payable of \$116k is still outstanding from 210 and 210/618 still owe another \$250K to Comerica Bank to finalize the deal.

Management and Co-operation

We have not been able to meet with Mr. Jain and our communication with him has been via e-mail. The Monitor has been advised to direct all requests for information to Mr. Jain

---

All of which is respectfully submitted this 4<sup>th</sup> day of February, 2010.

**Deloitte & Touche Inc.**

In its capacity as Monitor  
of Financial Transport Inc.  
Freightliner of Kingston Inc.  
6181732 Canada Inc.  
Global Transport Insurance Brokers Inc.,  
Jain Truck Lease Ltd. and  
210510 Ontario Inc. and not in its personal capacity



Robert J. Bougie, CA•CIRP  
Senior Vice President

---

**EXHIBIT D – GTIB TRUST ACCOUNT - ORIGINAL STATEMENT  
FOR THE MONTH OF SEPTEMBER 2009**

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**Your branch address:**

155 REXDALE BLVD  
 REXDALE, ONT M9W5Z8

# Business Banking



BMMEC12100\_2281416\_017 E D 0000 03401  
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 MISSISSAUGA ON L5T 1H3

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## Business Banking statement

For the period ending September 30, 2009

### Summary of account

Account	Opening balance (\$)	Total amounts debited (\$)	Total amounts credited (\$)	Closing balance (\$) on Sep 30, 2009
Value Plan Deposit Account # 2416 1084-774	23,059.20	254,858.97	299,605.04	67,805.27

**THANK YOU!**

We appreciate your business.

### Transaction details

Date	Description	Amounts debited from your account (\$)	Amounts credited to your account (\$)	Balance (\$)
<b>Value Plan Deposit Account # 2416 1084-774</b>				
Account Type: TRUST				
Business name: GLOBAL TRANSPORT INSURANCE BROKERS INC.				
Sep 01	Opening balance			23,059.20
Sep 01	Online Transfer, TF 2416#1084-758	3,000.00		20,059.20
Sep 01	Direct Deposit, MACQUARIE PREM LNS/PRE		3,521.69	23,580.89
Sep 01	ABM Deposit, 3835 BLOOR ST		42,000.00	65,580.89
Sep 01	Cheque, NO.106	54,559.80		11,021.09
Sep 03	Direct Deposit, MACQUARIE PREM LNS/PRE		12,020.06	23,041.15
Sep 08	Online Transfer, TF 2416#1084-758	2,000.00		21,041.15
Sep 08	Direct Deposit, MACQUARIE PREM LNS/PRE		29,097.22	50,138.37
Sep 08	Online Transfer, TF 2416#1084-758	45,000.00		5,138.37
Sep 09	Cheque, NO.108	4,144.00		994.37
Sep 14	ABM Deposit, 6605 HURONTARI		3,328.00	4,322.37
Sep 18	Direct Deposit, MACQUARIE PREM LNS/PRE		3,374.78	7,697.15

continued

BMMEC12100\_2281416\_017-0086847 HRI - 03 - 03 - 17 - 021021

## Transaction details (continued)

Date	Description	Amounts debited from your account (\$)	Amounts credited to your account (\$)	Balance (\$)
<b>Value Plan Deposit Account # 2416 1084-774</b>				<b>(continued)</b>
Sep 21	Deposit at, BR. 0470		25,000.00	32,697.15
Sep 21	ABM Deposit, 384 FAIRWAY RD		70,000.00	102,697.15
Sep 21	Transfer, 2416#1084-758		5,000.00	107,697.15
Sep 21	Cheque, NO.109 BR.0098	2,352.50		105,344.65
Sep 22	Cheque, NO.110 BR.0098	102,150.00		3,194.65
Sep 29	ABM Deposit, 600 HESPLER RD		10,034.22	13,228.87
Sep 29	Cheque, NO.111	31,580.62		-18,351.75
Sep 29	Cheque, NO.112 BR.0098	10,034.22		-28,385.97
Sep 30	Plan Fee	9.50		-28,395.47
Sep 30	Overdraft Per Item Fee	10.00		-28,405.47
Sep 30	Direct Deposit, MACQUARIE PREM LNS/PRE		92,901.07	64,495.60
Sep 30	ABM Deposit, 5800 MAVIS RD		3,328.00	67,823.60
Sep 30	Branch Transaction Fee, EXCESS ITEMS 02 AT \$1.00	2.00		67,821.60
Sep 30	Interest Paid	16.33		67,805.27
<b>Sep 30</b>	<b>Closing totals</b>	<b>254,858.97</b>	<b>299,605.04</b>	

Number of items processed ..... 13 ..... 12

Number of cheques or related items enclosed in your statement ..... 6

Please check this statement and report any errors or omissions within 30 days of delivery.

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### Registration numbers

GST - R100390095 QST - 1000042494

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## Business Banking statement

GLOBAL TRANSPORT INSURANCE BROKERS INC.  
For the period ending September 30, 2009

## Business Banking



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1 Free Banking is defined as the business bank plan fee being waived for 6 months. The customer is responsible for all fees of any transactions, services and products not included in the business banking plan. Promotion runs from September 1 to December 31, 2009.



BMMEC12100\_2281416\_017 - 0086847 HRI - - 03 - 02 - 16 - - 021023

021024

BMMEC12100\_2281416\_017 - 0066847

# Business Banking statement

GLOBAL TRANSPORT INSURANCE BROKERS INC.  
For the period ending September 30, 2009

# Business Banking



ISN: 5200297881  
Cheque #106 54,559.80

GLOBAL TRANSPORT INSURANCE BROKERS INC. 0106  
IN TRUST  
8665 TOWNSEN RD., SUITE 207  
MISSISSAUGA, ONTARIO L5T 2C4  
Tel: (905) 670-9634 Fax: (905) 670-9951

DATE 20090831  
Y Y Y Y M M D D

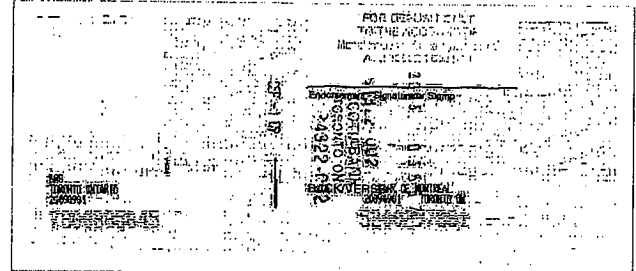
PAY to the order of Mackel \$ 54,559.80  
four thousand four hundred + fifty nine 100 DOLLARS @

BMO Bank of Montreal  
100 REXDALE BLVD., TEL: (416) 743-3905  
REXDALE, ONT. M9W 5Z4

GLOBAL TRANSPORT INSURANCE BROKERS INC. IN TRUST

RE Bank of Montreal

\*000106\* 1241620010 1084 774 0005455980



ISN: 5200436209  
Cheque #108 4,144.00

GLOBAL TRANSPORT INSURANCE BROKERS INC. 0108  
IN TRUST  
8665 TOWNSEN RD., SUITE 207  
MISSISSAUGA, ONTARIO L5T 2C4  
Tel: (905) 670-9634 Fax: (905) 670-9951

DATE 20090930  
Y Y Y Y M M D D

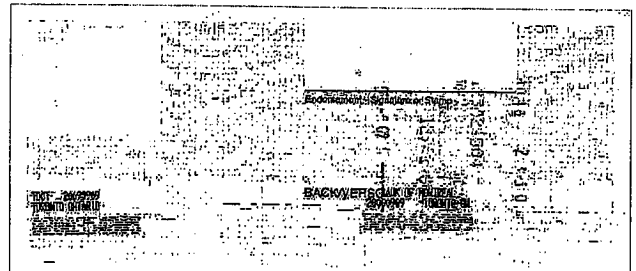
PAY to the order of Brother 2 Transport Inc. \$ 4,144.00  
four thousand one hundred + forty four 100 DOLLARS @

BMO Bank of Montreal  
100 REXDALE BLVD., TEL: (416) 743-3905  
REXDALE, ONT. M9W 5Z4

GLOBAL TRANSPORT INSURANCE BROKERS INC. IN TRUST

RE Brother 2 Transport Inc.

\*000108\* 1241620010 1084 774 0000414400



ISN: 100090206  
Cheque #109 2,352.50

GLOBAL TRANSPORT INSURANCE BROKERS INC. 0109  
IN TRUST  
8665 TOWNSEN RD., SUITE 207  
MISSISSAUGA, ONTARIO L5T 2C4  
Tel: (905) 670-9634 Fax: (905) 670-9951

DATE 20090917  
Y Y Y Y M M D D

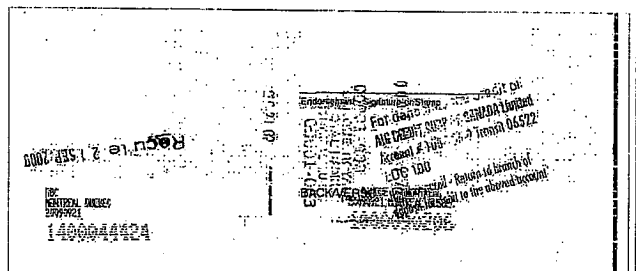
PAY to the order of ALG Credit Corp \$ 2,352.50  
two thousand three hundred fifty two 50¢ 100 DOLLARS @

BMO Bank of Montreal  
100 REXDALE BLVD., TEL: (416) 743-3905  
REXDALE, ONT. M9W 5Z4

GLOBAL TRANSPORT INSURANCE BROKERS INC. IN TRUST

RE Freight Trans Ltd.  
acct # 03-012-142994

\*000109\* 1241620010 1084 774 0000235250



ISN: 1000199707  
Cheque #110 102,150.00

GLOBAL TRANSPORT INSURANCE BROKERS INC. 0110  
IN TRUST  
8665 TOWNSEN RD., SUITE 207  
MISSISSAUGA, ONTARIO L5T 2C4  
Tel: (905) 670-9634 Fax: (905) 670-9951

DATE 20090918  
Y Y Y Y M M D D

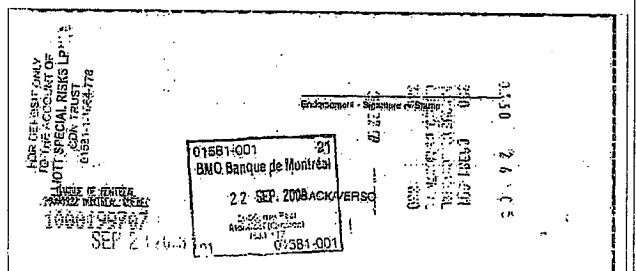
PAY to the order of Elfort Spinal Inc LP \$ 102,150.00  
one hundred + two thousand one hundred fifty 0 DOLLARS @

BMO Bank of Montreal  
100 REXDALE BLVD., TEL: (416) 743-3905  
REXDALE, ONT. M9W 5Z4

GLOBAL TRANSPORT INSURANCE BROKERS INC. IN TRUST

RE Elfort Spinal Inc LP  
742 Hwy 201 EXT 21554 2004

\*000110\* 1241620010 1084 774 0010215000



BMMEC12100\_2281416\_017 - 0086847 HRI - - 03 - 01 - 15 - - 021025





ISN: 5200354246  
Cheque #111

31,580.62

GLOBAL TRANSPORT INSURANCE BROKERS INC. 0111  
IN TRUST  
8665 TOMKEN RD., SUITE 207  
MISSISSAUGA, ONTARIO L5T 2C4  
Tel: (905) 670-9634 Fax: (905) 670-5951

DATE 20090925

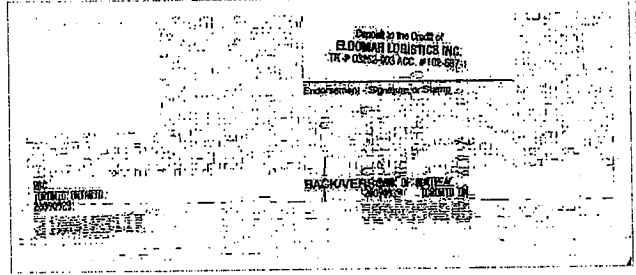
PAY to the order of El Dorado Logistics \$ 31,580.62  
thirty-one thousand five hundred and eighty DOLLARS

BMO Bank of Montreal  
145 MOUNTAIN BLDG. TEL: (416) 743-3906  
REXDALE, ONT. M9W 1Z8

GLOBAL TRANSPORT INSURANCE BROKERS INC. IN TRUST

RE El Dorado Logistics

\*000112\* 241620014 1084774 \*0003158062\*



ISN: 1000448969  
Cheque #112

10,034.22

GLOBAL TRANSPORT INSURANCE BROKERS INC. 0112  
IN TRUST  
8665 TOMKEN RD., SUITE 207  
MISSISSAUGA, ONTARIO L5T 2C4  
Tel: (905) 670-9634 Fax: (905) 670-5951

DATE 20090928

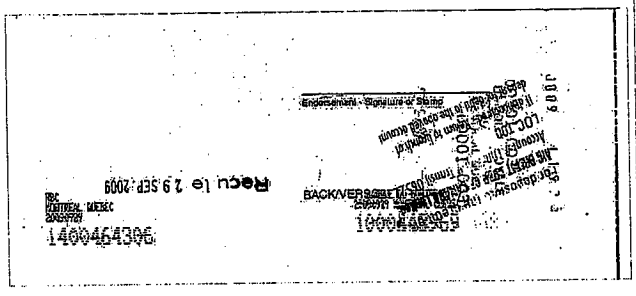
PAY to the order of ALG Credit Corp \$ 10,034.22  
ten thousand thirty four DOLLARS

BMO Bank of Montreal  
145 MOUNTAIN BLDG. TEL: (416) 743-3906  
REXDALE, ONT. M9W 1Z8

GLOBAL TRANSPORT INSURANCE BROKERS INC. IN TRUST

RE Transway # 03-012-140863-1

\*000112\* 241620014 1084774 \*0001003422\*



021026

BMMEC12100\_2281416\_017-0086847

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**EXHIBIT E – GTIB TRUST ACCOUNT – ALTERED STATEMENT  
FOR THE MONTH OF SEPTEMBER 2009**

---

155 REXDALE BLVD  
 REXDALE, ONT M9W 5Z8

# Business Banking



BMMECT2100\_2281416\_017-E-D-0000 03401  
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## Business Banking statement

For the period ending September 30, 2009

### Summary of account

Account	Opening balance (\$)	Total amounts debited (\$)	Total amounts credited (\$)	Closing balance (\$) on Sep 30, 2009
Value Plan Deposit Account # 2416 1084-774	140,097.31	178,268.35	205,142.52	166,971.48

### THANK YOU!

We appreciate your business.

### Transaction details

Date	Description	Amounts debited from your account (\$)	Amounts credited to your account (\$)	Balance (\$)
<b>Value Plan Deposit Account # 2416 1084-774</b>				
	Account type: TRUST			
	Business name: GLOBAL TRANSPORT INSURANCE BROKERS INC.			
Sep 01	Opening balance			140,097.31
Sep 01	Online Transfer, TF 2416#1084-758	✓ 3,000.00 1		137,097.31
Sep 01	Direct Deposit, MACQUARIE PREM LNS/PRE		✓ 3,521.69 2	140,619.00
Sep 01	Cheque, NO.106	✓ 54,559.80 3		86,059.20
Sep 03	Direct Deposit, MACQUARIE PREM LNS/PRE		✓ 12,020.06 4	98,079.26
Sep 08	Online Transfer, TF 2416#1084-758	✓ 2,000.00 5		96,079.26
Sep 09	Direct Deposit, MACQUARIE PREM LNS/PRE		✓ 29,097.22 6	125,176.48
Sep 09	Cheque, NO.108	✓ 4,144.00 7		121,032.48
Sep 14	ABA Deposit, 6605 HURONTARI		✓ 3,328.00 8	124,360.48
Sep 18	Direct Deposit, MACQUARIE PREM LNS/PRE		✓ 3,374.78 9	127,735.26
Sep 21	Deposit at, BR. 0470		✓ 25,000.00 10	152,735.26

continued



BMMECT2100\_2281416\_017-E-D-0000 03401

Transaction details (continued)

Date	Description	Amounts debited from your account (\$)	Amounts credited to your account (\$)	Balance (\$)
<b>Value Plan Deposit Account # 2416 1084-774</b>				(continued)
Sep 21	Cheque, NO.109 BR.0098	✓ 2,352.50 //		152,382.76
Sep 22	Cheque, NO.110 BR.0098	✓ 102,150.00 //		48,232.76
Sep 29	ABM Deposit, 600 HESPLER RD		32,571.70 //	80,804.46
Sep 29	Cheque, NO.112 BR.0098	✓ 10,034.22 //		70,770.24
Sep 30	Plan Fee	9.50		70,760.74
Sep 30	Direct Deposit, MACQUARIE PREM LNS/PRE		92,901.07 //	163,661.81
Sep 30	ABM Deposit, 5800 MAVIS RD		3,328.00 //	166,989.81
Sep 30	Branch Transaction Fee, EXCESS ITEMS QZ AT \$1.00	✓ 2.00		166,987.81
Sep 30	Interest Paid	16.33		166,971.48
Sep 30	Closing totals	✓ 178,268.35	205,142.52	

Number of items processed..... 10  
 Number of cheques or related items enclosed in your statement..... 5

Please check this statement and report any errors or omissions within 30 days of delivery.

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**Registration numbers**

GST - R100390095 QST - 10000042494

A member of BMO Financial Group 5001816 (08/03)

**Our Business Banking Solution Does Not Fit All**

Introducing BMO Business Essentials.

Three flexible solutions give you everything you need for businesses just like yours.

BMO Retail Essentials

BMO Professional Essentials

BMO e-smart Essentials

Choose the right solutions for your business and get 6 months free banking\* for your business.

**Business Banking statement**

GLOBAL TRANSPORT INSURANCE BROKERS INC.  
For the period ending September 30, 2009

**Business Banking**



ISN: 5200297881  
Cheque #106 54,559.80

GLOBAL TRANSPORT INSURANCE BROKERS INC. IN TRUST  
6655 TOMKEN RD., SUITE 207  
MISSISSAUGA, ONTARIO L5T 2C4  
Tel: (905) 670-9634 Fax: (905) 670-5951

DATE 20090831  
Y Y Y Y M M D D

PAY TO the order of Mickey \$ 54,559.80  
54,559.80 DOLLARS

BMO Bank of Montreal  
145 RUELLE Blvd. TEL: (416) 743-3900  
ALABAMA, ONT. M9W 1Z2

GLOBAL TRANSPORT INSURANCE BROKERS INC. IN TRUST

#000106# @24162#001# 1084##774# #0005455980#

FOR DEPOSIT ONLY  
TO THE ACCOUNT OF  
MICKY

20090831

54,559.80

BACKOVERSOUND

ISN: 5200436209  
Cheque #108 4,144.00

GLOBAL TRANSPORT INSURANCE BROKERS INC. IN TRUST  
6655 TOMKEN RD., SUITE 207  
MISSISSAUGA, ONTARIO L5T 2C4  
Tel: (905) 670-9634 Fax: (905) 670-5951

DATE 20090930  
Y Y Y Y M M D D

PAY TO the order of Brody 2 Transport Inc. \$ 4,144.00  
4,144.00 DOLLARS

BMO Bank of Montreal  
145 RUELLE Blvd. TEL: (416) 743-3900  
ALABAMA, ONT. M9W 1Z2

GLOBAL TRANSPORT INSURANCE BROKERS INC. IN TRUST

#000108# @24162#001# 1084##774# #0000414400#

FOR DEPOSIT ONLY  
TO THE ACCOUNT OF  
BRODY 2 TRANSPORT INC.

20090930

4,144.00

BACKOVERSOUND

ISN: 100090206  
Cheque #109 2,352.50

GLOBAL TRANSPORT INSURANCE BROKERS INC. IN TRUST  
6655 TOMKEN RD., SUITE 207  
MISSISSAUGA, ONTARIO L5T 2C4  
Tel: (905) 670-9634 Fax: (905) 670-5951

DATE 20090917  
Y Y Y Y M M D D

PAY TO the order of AIG Credit Corp \$ 2,352.50  
Two thousand three hundred fifty two and 50/100 DOLLARS

BMO Bank of Montreal  
145 RUELLE Blvd. TEL: (416) 743-3900  
ALABAMA, ONT. M9W 1Z2

GLOBAL TRANSPORT INSURANCE BROKERS INC. IN TRUST

#000109# @24162#001# 1084##774# #0000235250#

FOR DEPOSIT ONLY  
TO THE ACCOUNT OF  
AIG CREDIT CORP

20090917

2,352.50

BACKOVERSOUND

ISN: 1000199707  
Cheque #110 102,150.00

GLOBAL TRANSPORT INSURANCE BROKERS INC. IN TRUST  
6655 TOMKEN RD., SUITE 207  
MISSISSAUGA, ONTARIO L5T 2C4  
Tel: (905) 670-9634 Fax: (905) 670-5951

DATE 20090918  
Y Y Y Y M M D D

PAY TO the order of Elliot Special Int LP \$ 102,150.00  
102,150.00 DOLLARS

BMO Bank of Montreal  
145 RUELLE Blvd. TEL: (416) 743-3900  
ALABAMA, ONT. M9W 1Z2

GLOBAL TRANSPORT INSURANCE BROKERS INC. IN TRUST

#000110# @24162#001# 1084##774# #000102150000#

FOR DEPOSIT ONLY  
TO THE ACCOUNT OF  
ELLIOT SPECIAL INT LP

20090918

102,150.00

BACKOVERSOUND



ISN: 5200354246  
Cheque #111

31,580.62

GLOBAL TRANSPORT INSURANCE BROKERS INC. 0111  
IN TRUST  
6665 TORBEN RD., SUITE 207  
MISSISSAUGA, ONTARIO L5T 2C4  
Tel: (905) 670-9034 Fax: (905) 670-9951

DATE 20090925

PAY TO El Dorado Logistics \$ 31,580.62  
the order of Thirty-one thousand five hundred and eighty DOLLARS

BANK Bank of Montreal  
1000 GUY ST. MONTREAL  
QUEBEC Q1R 7P5

GLOBAL TRANSPORT INSURANCE BROKERS INC. IN TRUST

AT El Dorado Logistics

\*000111\* 1241620010 1081774 0003158062\*

Discount to the Credit of  
ELDOMAR LOGISTICS INC.  
TR # 0152-103 ACC # 100-08/1

Endorsement: Signature of El Dorado

BACKOVERSORET

RECEIVED  
20090925

ISN: 1000448969  
Cheque #112

10,034.22

GLOBAL TRANSPORT INSURANCE BROKERS INC. 0112  
IN TRUST  
6665 TORBEN RD., SUITE 207  
MISSISSAUGA, ONTARIO L5T 2C4  
Tel: (905) 670-9034 Fax: (905) 670-9951

DATE 20090928

PAY TO ALG Credit Corp \$ 10,034.22  
the order of Ten thousand thirty four DOLLARS

BANK Bank of Montreal  
1000 GUY ST. MONTREAL  
QUEBEC Q1R 7P5

GLOBAL TRANSPORT INSURANCE BROKERS INC. IN TRUST

AT Transway #03-016-142863-1

\*000112\* 1241620010 1081774 0001003422\*

Endorsement: Signature of El Dorado

RECEIVED  
29 SEP 2009

1400454306

BACKOVERSORET

RECEIVED  
29 SEP 2009

1000448969

021026

MEC12100\_2281416\_017-0086847

---

**EXHIBIT F – GTIB OPERATING ACCOUNT - ORIGINAL  
STATEMENT FOR THE MONTH OF SEPTEMBER  
2009**

---

**Your branch address:**

155 REXDALE BLVD  
REXDALE, ONT M9W5Z8

# Business Banking



BMMEC12100\_2281416\_017 E D 0000 03400  
GLOBAL TRANSPORT INSURANCE BROKERS INC.  
1215 MEYERSIDE DR UNIT 2A  
MISSISSAUGA ON L5T 1H3

**Your Branch**  
REXDALE&KIPLING BRANCH  
Transit number: 2416

**For questions about your statement call**  
(416) 743-5905

**Direct Banking**  
1-877-262-5907  
www.bmo.com

**Your Plan**  
Value Plan.1

## Business Banking statement

For the period ending September 30, 2009


### Summary of account

Account	Opening balance (\$)	Total amounts debited (\$)	Total amounts credited (\$)	Closing balance (\$) on Sep 30, 2009
Value Plan Deposit Account # 2416 1084-758	5,319.93	421,005.67	374,000.00	-41,685.74

**THANK YOU!**

We appreciate your business.

### Transaction details

Date	Description	Amounts debited from your account (\$)	Amounts credited to your account (\$)	Balance (\$)
<b>Value Plan Deposit Account # 2416 1084-758</b>				
	 Business name: GLOBAL TRANSPORT INSURANCE BROKERS INC.			
Sep 01	Opening balance			5,319.93
Sep 01	Pre-Authorized Payment, LANDMARK-LEASNG RLS/LOY	1,897.72		3,422.21
Sep 01	Online Transfer, TF 2416#1084-774		3,000.00	6,422.21
Sep 01	Pre-Authorized Payment, BENEFITS TRUST HDC/SDR	1,228.60		5,193.61
Sep 01	ABM Deposit, 3835 BLOOR ST		32,500.00	37,693.61
Sep 01	Cheque, NO.219	32,000.00		5,693.61
Sep 01	Cheque, NO.124	1,853.91		3,839.70
Sep 04	Transfer, 2416-6071-243		75,000.00	78,839.70
Sep 04	Deposit at, BR. 0470		77,500.00	156,339.70
Sep 04	ABM Deposit, 384 FAIRWAY RD		67,500.00	223,839.70
Sep 04	Cheque, NO.223	79,144.22		144,695.48

continued

BMMEC12100\_2281416\_017 - 04 - 04 - 21 - - 021013



## Transaction details (continued)

Date	Description	Amounts debited from your account (\$)	Amounts credited to your account (\$)	Balance (\$)
<b>Value Plan Deposit Account # 2416 1084-758</b>				<b>(continued)</b>
Sep 04	Cheque, NO.220	70,000.00		74,695.48
Sep 04	Cheque, NO.222	75,000.00		-304.52
Sep 08	Online Transfer, TF 2416#1084-774		2,000.00	1,695.48
Sep 08	Cheque, NO.224	80,000.00		-78,304.52
Sep 08	Online Transfer, TF 2416#1084-774		45,000.00	-33,304.52
Sep 08	Cheque, NO.221	57.00		-33,361.52
Sep 16	Cheque, NO.225	1,492.47		-34,853.99
Sep 21	Pre-Authorized Payment, ICS CANADA BPY/FAC	12.38		-34,866.37
Sep 21	Transfer, 2416#1084-774	5,000.00		-39,866.37
Sep 25	Cheque, NO.226	519.75		-40,386.12
Sep 28	Pre-Authorized Payment, AIG CREDIT CORP BUS/ENT	679.71		-41,065.83
Sep 28	Cheque, NO.211	305.00		-41,370.83
Sep 30	Standing order, 2416#6071-243	1,250.00		-42,620.83
Sep 30	Plan Fee	15.00		-42,635.83
Sep 30	O/D Facility Fee	50.00		-42,685.83
Sep 30	Branch Transaction Fee, BRANCH 01 ITMS AT 1.00	1.00		-42,686.83
Sep 30	ABM Deposit, 5800 MAVIS RD		71,500.00	28,813.17
Sep 30	Cheque, NO.228	70,000.00		-41,186.83
Sep 30	Interest Paid, BR. 2416 AC. 6071243	284.16		-41,470.99
Sep 30	Interest Paid	214.75		-41,685.74
<b>Sep 30</b>	<b>Closing totals</b>	<b>421,005.67</b>	<b>374,000.00</b>	

Number of items processed ..... 22 ..... 8

Number of cheques or related items enclosed in your statement ..... 11

Please check this statement and report any errors or omissions within 30 days of delivery.

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### Registration numbers

GST - R100390095 QST - 1000042494

A member of BMO Financial Group 5001816 (08/03)

## Business Banking statement

GLOBAL TRANSPORT INSURANCE BROKERS INC.  
For the period ending September 30, 2009

# Business Banking



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Introducing BMO Business Essentials.

Three flexible solutions give you everything you need for businesses just like yours.

BMO Retail Essentials

BMO Professional Essentials

BMO e-smart Essentials

Choose the right solution for your business and get 6 months free banking<sup>1</sup> for your business.

A BMO Representative can help you choose the package that's right for you. Ask about our limited time offer for 6 months free banking and for more details visit [bmo.com/BusinessEssentials](http://bmo.com/BusinessEssentials) or call 1 877 262-5907.

### Your dream, your business, your passion - Small Business Week 2009

BMO Bank of Montreal<sup>®</sup> would like to recognize and congratulate you on the important contribution your business makes in helping to keep our Canadian economy strong. Congratulations and thank-you!

<sup>1</sup> Free Banking is defined as the business bank plan fee being waived for 6 months. The customer is responsible for all fees of any transactions, services and products not included in the business banking plan. Promotion runs from September 1 to December 31, 2009.



BMMEC12100\_2281416\_017-0086846 HRI - 04-03-20 - 021015

021016

BMMEC12100\_2281416\_017 - 0086646

**Business Banking statement**

GLOBAL TRANSPORT INSURANCE BROKERS INC.  
For the period ending September 30, 2009

**Business Banking**



ISN: 5200174783  
Cheque #219 32,000.00

GLOBAL TRANSPORT INSURANCE BROKERS INC. 0219  
1215 MEYERSIDE DR., UNIT 2A  
MISSISSAUGA, ONTARIO L5T 1H3 DATE 20090901  
Y Y Y Y M M D D

PAY to JAIN TRUCK CENTERS. \$32,000.00  
the order of THIRTY-TWO THOUSAND 00/100 DOLLARS

BMO Bank of Montreal  
195 REXDALE BLVD. TEL: (416) 743-5905  
REXDALE, ONT. M9W 5Z8

GLOBAL TRANSPORT INSURANCE BROKERS INC.  
PER *[Signature]*

#000219# #24162#001# 1084#758# #0003200000#

Deposited to the Credit of  
JAIN TRUCK CENTERS  
24162 001 10848#

BACK VERSO

ISN: 5100262096  
Cheque #124 1,853.91

GLOBAL TRANSPORT INSURANCE BROKERS INC. 0124  
8665 TOMKEN RD., SUITE 207  
MISSISSAUGA, ONTARIO L5T 2C4 DATE 20090901  
Tel: (905) 670-9534 Fax: (905) 670-5951 Y Y Y Y M M D D

PAY to Georgian Properties Corp \$1,853.91  
the order of One thousand eight hundred fifty three and 91/100 00/100 DOLLARS

BMO Bank of Montreal  
195 REXDALE BLVD. TEL: (416) 743-5905  
REXDALE, ONT. M9W 5Z8

GLOBAL TRANSPORT INSURANCE BROKERS INC.  
PER *[Signature]*

#000214# #24162#001# 1084#758# #0000185391#

Deposited to the Credit of  
GEORGIAN PROPERTIES CORPORATION  
8665 TOMKEN RD. SUITE 207  
MISSISSAUGA, ONTARIO L5T 2C4  
2009-09-01 6:03 PM  
BACK VERSO

ISN: 5100346287  
Cheque #223 79,144.22

GLOBAL TRANSPORT INSURANCE BROKERS INC. 0223  
1215 MEYERSIDE DR., UNIT 2A  
MISSISSAUGA, ONTARIO L5T 1H3 DATE 20090904  
Y Y Y Y M M D D

PAY to Financial Transport, Inc. \$79,144.22  
the order of Seventy nine thousand one hundred forty four and 22/100 00/100 DOLLARS

BMO Bank of Montreal  
195 REXDALE BLVD. TEL: (416) 743-5905  
REXDALE, ONT. M9W 5Z8

GLOBAL TRANSPORT INSURANCE BROKERS INC.  
PER *[Signature]*

#000223# #24162#001# 1084#758# #0007914422#

Deposited to the Credit of  
FINANCIAL TRANSPORT INC.  
TR # 24162-001 ACC # 1082-170

04702-001  
BMO Bank of Montreal  
SEP 04 2009  
BACK VERSO

ISN: 1800096434  
Cheque #220 70,000.00

GLOBAL TRANSPORT INSURANCE BROKERS INC. 0220  
1215 MEYERSIDE DR., UNIT 2A  
MISSISSAUGA, ONTARIO L5T 1H3 DATE 20090903  
Y Y Y Y M M D D

PAY to Financial Transport Inc \$70,000  
the order of Seventy Thousand 00/100 DOLLARS

BMO Bank of Montreal  
195 REXDALE BLVD. TEL: (416) 743-5905  
REXDALE, ONT. M9W 5Z8

GLOBAL TRANSPORT INSURANCE BROKERS INC.  
PER *[Signature]*

#000220# #24162#001# 1084#758# #0007000000#

Deposited to the Credit of  
FINANCIAL TRANSPORT INC.  
TR # 24162-001 ACC # 1082-170

BACK VERSO



BMMEC12100\_2281416\_017 - 04 - 02 - 19 - 021017

ISN: 1800096435  
Cheque #222

75,000.00

GLOBAL TRANSPORT INSURANCE BROKERS INC.  
1215 MEYERSIDE DR., UNIT 2A  
MISSISSAUGA, ONTARIO L5T 1H3

DATE 20090903  
Y Y Y Y M M D D

PAY to the order of Financial Transport Inc \$ 75,000.00  
Sixty Five Thousand 00 DOLLARS

BMO Bank of Montreal  
85 REXDALE BLVD. TEL: (416) 743-5900  
REXDALE, ONT. M9W 1Z1

GLOBAL TRANSPORT INSURANCE BROKERS INC.

#000222# @24162#001# 1084#758# #000750000#

Deposited to the Credit of  
FINANCIAL TRANSPORT INC.  
TR # 2416250 ACC. # 1082710

Endorsement - Signature of Signer

BACK VERSO

ISN: 5000159188  
Cheque #224

80,000.00

GLOBAL TRANSPORT INSURANCE BROKERS INC.  
1215 MEYERSIDE DR., UNIT 2A  
MISSISSAUGA, ONTARIO L5T 1H3

DATE 20090908  
Y Y Y Y M M D D

PAY to the order of Financial Transport \$ 80,000.00  
Eighty Thousand 00 DOLLARS

BMO Bank of Montreal  
85 REXDALE BLVD. TEL: (416) 743-5900  
REXDALE, ONT. M9W 1Z1

GLOBAL TRANSPORT INSURANCE BROKERS INC.

#000224# @24162#001# 1084#758# #000800000#

2416  
1082710

04702-001  
Bank of Montreal  
SEP 08 2009  
80 Empire Road  
Brampton, Ont.  
06:12:00

BACK VERSO

ISN: 5200170219  
Cheque #221

57.00

GLOBAL TRANSPORT INSURANCE BROKERS INC.  
1215 MEYERSIDE DR., UNIT 2A  
MISSISSAUGA, ONTARIO L5T 1H3

DATE 20090902  
Y Y Y Y M M D D

PAY to the order of Nothing but labels \$ 57.00  
Forty seven 00 DOLLARS

BMO Bank of Montreal  
85 REXDALE BLVD. TEL: (416) 743-5900  
REXDALE, ONT. M9W 1Z1

GLOBAL TRANSPORT INSURANCE BROKERS INC.

#000221# @24162#001# 1084#758# #0000005700#

Deposited to the Credit of  
GLOBAL TRANSPORT INC.  
TR # 2416250 ACC. # 1082710

Endorsement - Signature of Signer

BACK VERSO

ISN: 5000044127  
Cheque #225

1,492.47

GLOBAL TRANSPORT INSURANCE BROKERS INC.  
1215 MEYERSIDE DR., UNIT 2A  
MISSISSAUGA, ONTARIO L5T 1H3

DATE 20090915  
Y Y Y Y M M D D

PAY to the order of Edy Mann \$ 1492.47  
One thousand four hundred ninety two and 47/100 47 DOLLARS

BMO Bank of Montreal  
85 REXDALE BLVD. TEL: (416) 743-5900  
REXDALE, ONT. M9W 1Z1

GLOBAL TRANSPORT INSURANCE BROKERS INC.

#000225# @24162#001# 1084#758# #0000149247#

Deposited to the Credit of  
GLOBAL TRANSPORT INC.  
TR # 2416250 ACC. # 1082710

Endorsement - Signature of Signer

BACK VERSO

**Business Banking statement**

GLOBAL TRANSPORT INSURANCE BROKERS INC.  
For the period ending September 30, 2009

**Business Banking**



ISN: 5200092760  
Cheque #226

519.75

GLOBAL TRANSPORT INSURANCE BROKERS INC.  
1215 MEYERSIDE DR., UNIT 2A  
MISSISSAUGA, ONTARIO L5T 1H3

DATE 20 09 08 21

PAY to the order of Raymond Bilij \$ 519.75

RE Jasni 552 + 560

BMO Bank of Montreal  
100 DOLLARS @

GLOBAL TRANSPORT INSURANCE BROKERS INC.

\*000226\* @24162001@ 1084758# \*0000051975\*

008-004 011  
THE TROYERS DESIGN BANK  
SEP 24 2009  
41 EDWARDS STREET  
TORONTO ONT M5E 1B7  
00542-004

DEPOSITED TO THE CREDIT OF  
RAY B  
54-573978

BACK TO SOURCE OF FUNDS  
5200092760

ISN: 5100291032  
Cheque #211

305.00

GLOBAL TRANSPORT INSURANCE BROKERS INC.  
1215 MEYERSIDE DR., UNIT 2A  
MISSISSAUGA, ONTARIO L5T 1H3

DATE 20 09 08 12

PAY to the order of Raymond Bilij \$ 305.00

RE Ray 0008552

BMO Bank of Montreal  
100 DOLLARS @

GLOBAL TRANSPORT INSURANCE BROKERS INC.

\*000226\* @24162001@ 1084758# \*0000030500\*

Endorsement: Signature of Signer

0080008 TO 55000 ROYAL BANK / LDC / BOK / IPT  
1781475 0024 001 PHE 010 0024 003  
100-186-6 BMO LIFE ASSURANCE CO  
3600030051 5100291032

ISN: 1800336567  
Cheque #228

70,000.00

GLOBAL TRANSPORT INSURANCE BROKERS INC.  
1215 MEYERSIDE DR., UNIT 2A  
MISSISSAUGA, ONTARIO L5T 1H3

DATE 20 09 09 29

PAY to the order of Tom Tank Less \$ 70,000.00

RE Smith - Brown

BMO Bank of Montreal  
100 DOLLARS @

GLOBAL TRANSPORT INSURANCE BROKERS INC.

\*000228\* @24162001@ 1084758# \*0007000000\*

0240/2003-677

Endorsement: Signature of Signer

00810 212960584  
2-150-001-1287077 5115  
BACKOVERSO



BMMEC12100\_2281416\_017-0086846 HRI - 04 - 01 - 18 - 021019



021020

BMMEC12100\_2281416\_017-0086646

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**EXHIBIT G – GTIB OPERATING ACCOUNT – ALTERED  
STATEMENT FOR THE MONTH OF SEPTEMBER  
2009**

---



Your branch address:

155 REXDALE BLVD  
REXDALE, ONT M9W 5Z8

# Business Banking



BMMEC12100\_2281416\_017 E D 0000 03400  
GLOBAL TRANSPORT INSURANCE BROKERS INC.  
1215 MEYERSIDE DR UNIT 2A  
MISSISSAUGA ON L5T 1H3

**Your Branch**  
REXDALE&KIPLING BRANCH  
Transit number: 2416

**For questions about your statement call**  
(416) 743-5905

**Direct Banking**  
1-877-262-5907  
www.bmo.com

## Business Banking statement

For the period ending September 30, 2009


### Summary of account

Account	Opening balance (\$)	- Total amounts debited (\$)	+ Total amounts credited (\$)	= Closing balance (\$) on Sep 30, 2009
Value Plan Deposit Account # 2416 1084-758	13,354.36	89,005.67	80,000.00	4,348.69

**THANK YOU!**

We appreciate your business.

### Transaction details

Date	Description	Amounts debited from your account (\$)	Amounts credited to your account (\$)	Balance (\$)
<b>Value Plan Deposit Account # 2416 1084-758</b>				
	 Business name: GLOBAL TRANSPORT INSURANCE BROKERS INC.			
Sep 01	Opening balance			13,354.36
Sep 01	Pre-Authorized Payment, LANDMARK LEASNG RLS/LOY	✓ 1,897.72 1		11,456.64
Sep 01	Online Transfer, TF 2416#1084-774		3,000.00 2	14,456.64
Sep 01	Pre-Authorized Payment, BENEFITS TRUST HDC/SDR	✓ 1,228.60 3		13,228.04
Sep 01	Cheque, NO.124	✓ 1,853.91 4		11,374.13
Sep 04	Transfer, 2416-6071-243		75,000.00 5	86,374.13
Sep 04	Cheque, NO.223	✓ 79,144.22 6		7,229.91
Sep 08	Online Transfer, TF 2416#1084-774		2,000.00 7	9,229.91
Sep 08	Cheque, NO.221	✓ 57.00 8		9,172.91
Sep 16	Cheque, NO.225	✓ 1,492.47 9		7,680.44
Sep 21	Pre-Authorized Payment, ICS CANADA BPY/FAC	✓ 12.38 10		7,668.06

continued

Transaction details (continued)

Date	Description	Amounts debited from your account (\$)	Amounts credited to your account (\$)	Balance (\$)
<b>Value Plan Deposit Account # 2416 1084-758</b>				<b>(continued)</b>
Sep 25	Cheque, NO.226	✓ 519.75 <i>11</i>		7,148.31
Sep 28	Pre-Authorized Payment, AIG CREDIT CORP BUS/ENT	✓ 679.71 <i>12</i>		6,468.60
Sep 28	Cheque, NO.211	✓ 305.00 <i>13</i>		6,163.60
Sep 28	Standing order, 2416#6071-243	1,250.00 <i>14</i>		4,913.60
Sep 30	Plan fee	15.00 <i>15</i>		4,898.60
Sep 30	O/D Facility Fee	50.00 <i>15</i>		4,848.60
Sep 30	Branch Transaction Fee, BRANCH 01 ITMS AT 1.00	1.00		4,847.60
Sep 30	Interest Paid, BR. 2416 AC. 6071243	284.16 <i>16</i>		4,563.44
Sep 30	Interest Paid	214.75 <i>17</i>		4,348.69
Sep 30	<b>Closing totals</b>	<b>89,005.67</b>	<b>80,000.00</b>	

Number of items processed.....16.....3  
 Number of cheques or related items enclosed in your statement.....6

Please check this statement and report any errors or omissions within 30 days of delivery.

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**Registration numbers**

GST - R100390095 QST - 1000042494

A member of BMO Financial Group 5001816 (08/03)



ISN: 5100262096  
Cheque #124

1,853.91

GLOBAL TRANSPORT INSURANCE BROKERS INC.  
6665 TORBURN RD., SUITE 207  
MISSISSAUGA, ONTARIO L5T 2K4  
Tel: (905) 870-9824 Fax: (905) 870-5951

DATE 2009 09 01  
Y Y Y Y M M D D

PAY TO THE ORDER OF Georgian Properties Corp \$ 1853.91  
One thousand eight hundred fifty three and 91/100 DOLLARS

BMO Bank of Montreal  
353 ATWATER BLVD. TEL: (416) 733-3900  
ATWATER, ONT. M9W 3Z4

GLOBAL TRANSPORT INSURANCE BROKERS INC.

⑆00024⑆ ⑆24162⑆001⑆ 1084⑆758⑆ ⑆0000185391⑆

DEPOSIT TO THE CREDIT OF  
GEORGIAN PROPERTIES CORPORATION  
Endorsed by AMB BANKERS & TRUST CO. LTD.  
SEP 04 2009  
6.63.54  
BACKVERSOS

ISN: 5100346287  
Cheque #223

79,144.22

GLOBAL TRANSPORT INSURANCE BROKERS INC.  
1215 MEYERSIDE DR., UNIT 2A  
MISSISSAUGA, ONTARIO L5T 1H3

DATE 2009 09 04  
Y Y Y Y M M D D

PAY TO THE ORDER OF Financial Transport, Inc \$ 79144.22  
Seventy nine thousand one hundred forty four and 22/100 DOLLARS

BMO Bank of Montreal  
353 ATWATER BLVD. TEL: (416) 733-3900  
ATWATER, ONT. M9W 3Z4

GLOBAL TRANSPORT INSURANCE BROKERS INC.

⑆000223⑆ ⑆24162⑆001⑆ 1084⑆758⑆ ⑆0007914422⑆

Deposited to the Credit of  
FINANCIAL TRANSPORT INC.  
TR# 24162-001 A/C. # 1082-70

Endorsed by Signature or Stamp  
04702-001  
BMO Bank of Montreal  
SEP 04 2009  
6.63.54  
BACKVERSOS  
25 24702-001

ISN: 5200170219  
Cheque #221

57.00

GLOBAL TRANSPORT INSURANCE BROKERS INC.  
1215 MEYERSIDE DR., UNIT 2A  
MISSISSAUGA, ONTARIO L5T 1H3

DATE 2009 09 02  
Y Y Y Y M M D D

PAY TO THE ORDER OF Nothing but white \$ 57.00  
Seventy seven DOLLARS

BMO Bank of Montreal  
353 ATWATER BLVD. TEL: (416) 733-3900  
ATWATER, ONT. M9W 3Z4

GLOBAL TRANSPORT INSURANCE BROKERS INC.

⑆000221⑆ ⑆24162⑆001⑆ 1084⑆758⑆ ⑆0000005700⑆

Endorsed by Signature or Stamp  
04702-001  
BMO Bank of Montreal  
SEP 04 2009  
6.63.54  
BACKVERSOS  
25 24702-001

ISN: 5000044127  
Cheque #225

1,492.47

GLOBAL TRANSPORT INSURANCE BROKERS INC.  
1215 MEYERSIDE DR., UNIT 2A  
MISSISSAUGA, ONTARIO L5T 1H3

DATE 2009 09 15  
Y Y Y Y M M D D

PAY TO THE ORDER OF Joe Maria \$ 1492.47  
One thousand four hundred ninety two and 47/100 DOLLARS

BMO Bank of Montreal  
353 ATWATER BLVD. TEL: (416) 733-3900  
ATWATER, ONT. M9W 3Z4

GLOBAL TRANSPORT INSURANCE BROKERS INC.

⑆000225⑆ ⑆24162⑆001⑆ 1084⑆758⑆ ⑆0000149247⑆

Endorsed by Signature or Stamp  
04702-001  
BMO Bank of Montreal  
SEP 15 2009  
6.63.54  
BACKVERSOS  
25 24702-001

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**EXHIBIT H – LETTER OF FRED TAYAR & ASSOCIATES**

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# FRED TAYAR & ASSOCIATES

PROFESSIONAL CORPORATION  
BARRISTERS & SOLICITORS

20 QUEEN ST., WEST, 9<sup>TH</sup> FLOOR  
TORONTO, CANADA M5H 3R3

TELEPHONE (416) 363-1800  
FACSIMILE (416) 363-3356  
[fred@fredtayar.com](mailto:fred@fredtayar.com)

FILE NO. 09-2499

WRITER'S EXTENSION: 200

February 18, 2010

Robb English  
Aird & Berlis LLP  
Brookfield Place, Suite 1800  
Box 754  
181 Bay Street  
Toronto, ON M5J 2T9

VIA EMAIL: [renglish@airdberlis.com](mailto:renglish@airdberlis.com)

Dear Mr. English:

**Re: Global Transport Insurance Brokers Inc.**

Further to our recent exchange of emails, enclosed please find a sample of evidence from Macquarie Premium Funding Inc. addressed to Robert Hilbert of Global Transport Insurance Brokers Inc., that would demonstrate on whose behalf and the amounts in respect of which monies are received by Global and deposited into its trust account for transmission to the insurer. In the case of the enclosed two injections into the trust account, the named insured are contained in the document and the insurer is Nordic Insurance.

I also enclose a photocopy of the last printout Global was able to obtain from the Internet demonstrating that as of the date of the appointment of the Receiver there was some \$14,948.03 in the trust account. Approximately \$11,800.00 of that is payable to Nordic and must be transmitted immediately.

In your emails you suggested that the trust accounts are overdrawn. I do not know the basis upon which you say that; to the contrary, there is a surplus in the trust account which consists of commissions generated by Global on its brokerage business.

I have advised you, and I reiterate that Mr. Hilbert is desirous of paying the amounts that are owed to the Bank of Montreal in exchange for a release of any claims associated with Global Transport Insurance Brokers Inc.

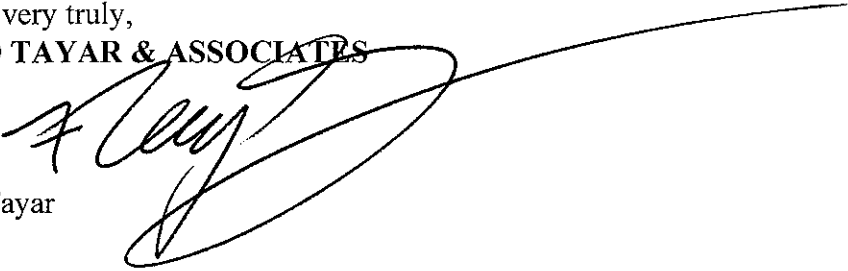
I appreciate that you do not represent Bank of Montreal, but in my discussions with the Bank's counsel, I was advised that the Bank is awaiting a report from the Receiver, in order to assess the merits of Mr. Hilbert's proposal.

Time is very much of the essence. I am concerned about the erosion of the business enterprise of Global in light of the Receiver's appointment, and the notices it has given to employees, customers and others. Please get back to me at your earliest opportunity.

Yours very truly,

**FRED TAYAR & ASSOCIATES**

Per:

A large, stylized handwritten signature in black ink, appearing to read 'Fred Tayar', is written over the company name and extends across the page.

Fred Tayar

/ajs

Encl.

cc: Client  
Rob Hilbert

**Macquarie Premium Funding Inc.**

20 Toronto Street, 10<sup>th</sup> Floor  
Toronto, ON M5C 2B8

Telephone 1 (888) 232 2238  
Facsimile 1 (888) 232 2209  
MacquariePremiumFunding.ca

**Attn: Robert Hilbert**  
**Global Transport Insurance Brokers Inc.**



**Re: Accounts funded in January with Macquarie Premium Funding**

Below are the accounts that were funded in January 2010:

- Blue Bins Ltd – Contract 30376
  - Funded \$7,273.60 on Jan. 11
  
- Peter Lundy – Contract 31128
  - Funded \$4,586.40 on Jan. 21

Please do not hesitate to contact us should you have any questions.



Your branch address:

151 REXDALE BLVD  
REXDALE, ONT M9W5Z8

# Business Banking



UNMLC12100\_4543367\_020 E D 0000 03471  
GLOBAL TRANSPORT INSURANCE BROKERS INC.  
1715 MEYERSIDE DR UNIT 2A  
MISSISSAUGA ON L5T 1H3

Your Branch  
REXDALE/BRIDLEBANK  
Transit number 2416

For questions about your  
statement call  
(416) 743-3905

Direct Banking  
1-877-262-5907  
www.bmo.com

Your Plan  
Small Business Banking Plan  
Cheques

## Business Banking statement

For the period ending January 29, 2010

### Summary of account

Account	Opening balance (\$)	Total amounts debited (\$)	Total amounts credited (\$)	Closing balance (\$) on Jan 29, 2010
Value Plan Deposit Account # 2416 1084-774	71,496.00	68,407.47	11,869.50	14,958.03

THANK YOU!

We appreciate your business.

### Transaction details

Date	Description	Amounts debited from your account (\$)	Amounts credited to your account (\$)	Balance (\$)
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Value Plan Deposit Account # 2416 1084-774

Account type: TRUST  
INTEREST DEDUCTIBLE:  
GLOBAL TRANSPORT INSURANCE BROKERS INC.

Jan 01	Opening balance			71,496.00
Jan 04	Online Transfer, TF 2416#1084-758	7,000.00		64,496.00
Jan 11	Online Transfer, TF 2416#1084-758	5,000.00		59,496.00
Jan 11	Direct Deposit, MACQUARIE PREM LNS/PRE			59,496.00
Jan 12	Cheque, NO 125	1,145.00	- Blue Bins 7,273.60	60,184.00
Jan 13	Cheque, NO 128	44,252.97	- Jevco DP Takie	15,931.03
Jan 13	Online Transfer, TF 2416#1084-758	11,000.00	- Freight Trans Exp	4,931.03
Jan 21	Direct Deposit, MACQUARIE PREM LNS/PRE			4,931.03
Jan 25	Plan Fee	9.50	- Peter Landy 4,586.40	13,915.03

(Jevco  
Ins Pay)





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**EXHIBIT I – LETTER OF AIRD & BERLIS LLP**

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# AIRD & BERLIS LLP

Barristers and Solicitors

D. Robb English  
Direct: 416.865.4748  
E-mail: renglish@airdberlis.com

February 22, 2010

**SENT BY EMAIL: fred@fredtayar.com**

Fred Tayar

**Tayar & Associates**

Barristers and Solicitors

5000 Yonge Street, 10<sup>th</sup> Flr.

Toronto, ON M2N 7E9

Dear Mr. Tayar:

**Re: Bank of Montreal v. Financial Transport Inc. et al.  
Court File No. CV-10-8556-00CL**

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We write in response to your letter dated February 18, 2009, and to provide an update to you on the Receiver's findings with respect to Global Transport Insurance Brokers Inc. ("Global").

With respect to Mr. Hilbert's desire to pay to the Bank of Montreal the amounts that are owing to it by Global, he is free to do so but this will not result in an automatic discharge of the Receiver with respect to Global, nor can the Receiver recommend its discharge in light of its recent findings. Further, the Receiver is not prepared to relieve Mr. Hilbert from his obligation to cooperate with the Receiver while it continues to investigate the breach of trust issues and other irregular activities that the Receiver has uncovered over the past few weeks.

On February 12, 2010, at a meeting between Mr. Hilbert and two representatives from the Receiver, Mr. Hilbert admitted that he had falsified bank records and had been transferring funds from the trust account to various operating accounts of companies controlled by Mr. Jain. This is a serious matter that the Receiver, as an officer of the Court, is under an obligation to investigate and report upon.

Notwithstanding that, at present, Global may no longer be overdrawn, the Receiver cannot be certain that a deficit does not exist. As a result of the admitted falsification of financial records and misuse of trust monies referenced above, the Receiver is not in a position to verify how much should be in the trust account until a complete reconciliation of trust funds is performed. The Receiver is now in the process of reconciling the trust account based on the actual bank statements provided by the Bank of Montreal (as opposed to the statements prepared by your client) along with information from the various insurance companies involved. Therefore, until such reconciliation has been performed, and it can confirm that there are in fact funds available in the trust account, the Receiver cannot authorize the payment of any amounts from the trust account, including the requested payment to Nordic Insurance.

February 22, 2010

Page 2

Based on the information obtained by the Receiver from a review of your client's files, the Receiver does not believe that the Global business is viable. By letter dated July 29, 2009, Markel Insurance advised Global that the existing policies would not be renewed through Global. In addition, the Receiver understands that Global's largest customer, Concord Transportation Inc. has moved its business, effective February 1, 2010. In addition, the Receiver understands that as of June 2009, Global had approximately 40 customers, while upon the commencement of the Receivership only about 15 remained. With the loss of this major customer, Concord, and the pending loss of all the customers who received insurance through Markel (which the Receiver understand to be half of the remaining Global customers), the fact is that the Global business has been deteriorating over the last six months and is no longer financially viable.

In addition, the Receiver has been advised that the only active broker at Global is away on vacation. Although Mr. Hilbert is a registered broker, based on his actions over the past several months, the Receiver does not feel it would be appropriate to have him dealing with the business and its customers. Accordingly, effective today, there are no active brokers at Global taking care of daily operations, making continued active business untenable.

The Registered Insurance Brokers of Ontario ("RIBO") has asked the Receiver to write to each of the remaining Global customers, other than those of Markel, to advise them that they will need to contact their insurers directly for day-to-day insurance needs, and RIBO has offered to assist customers from a facilitative perspective with regard to insurance company phone numbers and contact names. With regard to the Markel customers, on the advice of RIBO, Markel has been provided with the names of Global's customers who are insured by Markel and the Receiver understands that Markel is contacting those parties to inform them that they should contact Markel directly.

In light of the above, the Receiver is preparing a Report to Court and will be bringing a motion shortly to report and deal with its next steps. Court time has currently been booked for Friday, February 26, 2010 for this purpose.

Yours truly,

AIRD & BERLIS LLP

*Robb English*

D. Robb English

DRE/eab

cc Bob Bougie, Brenda Wong

cc Stephanie Fraser

cc Arif Dhanani

6391488.3

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**EXHIBIT J – NOTICE AND STATEMENT OF RECEIVER**

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**NOTICE AND STATEMENT OF RECEIVER  
(SECTION 245(1) AND 246(1) OF THE ACT)**

In the matter of the receivership of the property of Financial Transport Inc., 6181732 Canada Inc., 2105810 Ontario Inc., Freightliner of Kingston Inc., Jain Truck Lease Ltd. and Global Transport Insurance Brokers Inc. (collectively referred to as the "Companies").

Take notice that:

1. On the 4<sup>th</sup> day of February, 2010, the undersigned Deloitte & Touche Inc., was appointed as receiver over Financial Transport Inc. ("FTI"), 6181732 Canada Inc. ("618"), 2105810 Ontario Inc. ("210"), Freightliner of Kingston Inc. ("FKI"), Jain Truck Lease Ltd. ("JTL") and Global Transport Insurance Brokers Inc. ("GTI") in respect of the assets, undertakings and properties of the Companies, insolvent companies that are described below:

	FTI	618	210	FKI	JTL	GTI
Accounts receivable	\$ 908,227	\$ 47,608	\$ 25,873	\$ 218,308	\$ 23,560	\$ 270,319
Equipment and vehicles	24,820	-	-	1,319,737	471,890	16,087
Inventory	1,024,792	-	-	759,273	41,588	
Lease Portfolio	9,130,881	-	-	-		
Land and building	-	4,633,148	-	-		
	<b>\$ 11,088,720</b>	<b>\$ 4,680,756</b>	<b>\$ 25,873</b>	<b>\$ 2,297,318</b>	<b>\$ 537,038</b>	<b>\$ 286,406</b>

*Note: The book values shown above are based on the Companies' most recent financial statements and reports and may not be representative of the market or realizable value of the assets.*

2. The undersigned became a receiver in respect of the property described above by virtue of being appointed by the Ontario Superior Court of Justice (Commercial List).
3. The undersigned commenced the exercise of its powers in respect of that appointment on the 4<sup>th</sup> day of February, 2010.
4. The following information relates to the receivership:

a) Address of insolvent companies:

FTI - 7280 Dixie Rd., Mississauga, ON L5S 1E1  
 618 - 7280 Dixie Rd., Mississauga, ON L5S 1E1  
 210 - 7280 Dixie Rd., Mississauga, ON L5S 1E1  
 JTL - 7280 Dixie Rd., Mississauga, ON L5S 1E1  
 FKI - 21 Enterprise Dr., Belleville, ON K8N 4Z5  
 GTI - 1215 Meyerside Dr. Unit 2A, Mississauga, ON L5T 1H3

b) Principal line of business:

FTI - Lease financing company for new and used trucks and trailers  
 618 - Holding company for property owned in Mississauga, ON  
 210 - Holding company for property owned in Kingston, ON  
 JTL - Vehicle maintenance and trailer rentals  
 FKI - Freightliner dealership and service centre  
 GTI - Insurance broker for companies in the trucking industry

c) Amount owed by the Companies to the creditors who appear to hold a security interest on the property described above include:

FTI - Bank of Montreal	\$6,183,092
1283673 Ontario Inc. o/a Markham Auto Leasing	Unknown
Add Capital Corp.	Unknown
Canada Western Bank	Unknown
Cheetah TT&T	Unknown
CIT Financial Ltd.	Unknown
Coast Capital Equipment Finance Ltd.	Unknown
Corporation Alter Moneta/Alter Moneta Corporation	Unknown
Daimler Chrysler Financial/Truck Financial	Unknown
DCFS Canada Corp.	Unknown
Diesel Truck Centre Incorporated	Unknown
Finloc 2000 Inc.	Unknown
Gil Truck & Trailer Repair & Mobile Service	Unknown
Global Leasing Group Inc.	Unknown
Harper Ontario Truck Centres Inc.	Unknown
HT Tire Services Ltd.	Unknown
Landmark Vehicle Leasing Corporation	Unknown
Mercado Capital Corporation, Div of	Unknown
Westminster Savings Credit Union	Unknown
National Leasing Group Inc.	Unknown
New Millennium Tire Centre	Unknown
Popular Tire Sales & Service Inc.	Unknown
Prince Tyre Ltd.	Unknown
Refrigeration Thermoking	Unknown
Riordan Car and Truck Rentals Inc.	Unknown
Riordan Leasing	Unknown
Rush Lube Inc.	Unknown
Travelers Financial Corporation	Unknown
618 - Bank of Montreal	\$1,881,412
Comerica Bank	Unknown
Corporation Alter Moneta/Alter Moneta Corporation	Unknown
210 - Bank of Montreal	\$129,400
Comerica Bank	Unknown
Corporation Alter Moneta/Alter Moneta Corporation	Unknown
JTL - Bank of Montreal	\$91,100
Financial Transport Inc.	Unknown
Kal Tire A Corporate Partnership	Unknown
Landmark Vehicle Leasing Corporation	Unknown
FKI - Bank of Montreal	\$1,733,800
Add Capital Corp.	Unknown
ADP Credit Corp.	Unknown
Bodkin Capital Corporation	Unknown



Business Development Bank of Canada	\$3,300,000
Canadian Western Bank	Unknown
CIT Financial Ltd.	Unknown
Coast Capital Equipment Finance Ltd.	Unknown
Corporation Alter Moneta/Alter Moneta Corporation	Unknown
Element Financial Corporation	Unknown
Freightliner Custom Chassis Corporation	Unknown
Freightliner Ltd.	Unknown
Landmark Vehicle Leasing Corporation	Unknown
Mercado Capital Corporation, Div. of	Unknown
Westminster Savings Credit Union	
National Leasing Group Inc.	Unknown
Riordan Car and Truck Rentals Inc.	Unknown
Riordan Leasing Inc.	Unknown
Toronto Dominion Bank	Unknown
Travelers Financial Corp/Canadian	Unknown
Western Bank	
Travelers Financial Corporation	Unknown
GTI - Bank of Montreal	\$181,865
Landmark Vehicle Leasing Corporation	Unknown

- d) The lists of creditors of the Companies and the amount owed to each creditor and the total amount due by the insolvent companies is attached.
- e) The Receiver is reviewing the current financial status of the Companies in order to determine the optimal course of action for realizing on the assets.

Contact person for Receiver:

Bryan Litvack  
 Deloitte & Touche Inc.  
 181 Bay St., Suite 1400  
 Toronto, ON M5J 2V1  
 Telephone: (416) 775-7494  
 Facsimile: (416) 601-6690

Dated at Toronto this 11<sup>th</sup> day of February, 2010.

**DELOITTE & TOUCHE INC.**

In its capacity as Court Appointed Receiver of the assets, undertakings, and properties of Financial Transport Inc., 6181732 Canada Inc., 2105810 Ontario Inc., Freightliner of Kingston Inc., Jain Truck Lease Ltd. and Global Transport Insurance Brokers Inc. and not in its personal capacity



Robert J. Bougie, CA • CIRP  
 Senior Vice-President

DELOITTE & TOUCHE INC.  
IN THE MATTER OF THE RECEIVERSHIP OF  
FINANCIAL TRANSPORT INC.

CREDITOR NAME	TOTAL (\$)
<b><u>SECURED CREDITORS</u></b>	
1 1283673 ONTARIO INC. O/A MARKHAM AUTO LEASING	Unknown
2 ADD CAPITAL CORP.	Unknown
3 BANK OF MONTREAL	6,183,092.00
4 CANADIAN WESTERN BANK	Unknown
5 CHEETAH TT&T	Unknown
6 CIT FINANCIAL LTD.	Unknown
7 COAST CAPITAL EQUIPMENT FINANCE LTD.	Unknown
8 CORPORATION ALTER MONETA/ALTER MONETA CORPORATION	Unknown
9 DAIMLERCHRYSLER FINANCIAL/TRUCK FINANCIAL	Unknown
10 DCFS CANADA CORP.	Unknown
11 DIESEL TRUCK CENTRE INCORPORATED	Unknown
12 ELEMENT FINANCIAL CORPORATION	Unknown
13 FINLOC 2000 INC.	Unknown
14 GILL TRUCK & TRAILER REPAIR & MOBILE SERVICE	Unknown
15 GLOBAL LEASING GROUP INC.	Unknown
16 HARPER ONTARIO TRUCK CENTRES INC.	Unknown
17 HARPER TRUCK CENTRES INC.	Unknown
18 HT TIRE SERVICES LTD.	Unknown
19 LANDMARK VEHICLE LEASING CORPORATION	Unknown
20 MERCADO CAPITAL CORPORATION, DIV. OF WESTMINSTER SAVINGS CREDIT UNION	Unknown
21 NATIONAL LEASING GROUP INC.	Unknown
22 NEW MILLENIUM TIRE CENTRE	Unknown
23 POPULAR TIRE SALES & SERVICE INC.	Unknown
24 PRINCE TYRE LTD.	Unknown
25 REFRIGERATION THERMOKING	Unknown
26 RIORDAN CAR AND TRUCK RENTALS INC.	Unknown
27 RIORDAN LEASING INC.	Unknown
28 RUSH LUBE INC.	Unknown
29 TRAVELERS FINANCIAL CORPORATION	Unknown
Total Secured	<u>6,183,092.00</u>
<b><u>UNSECURED CREDITORS</u></b>	
1 1354198 ONTARIO INC.	2,076,044.90
2 407 ETR	90.84
3 4-MODE GLOBAL LOGISTICS INC.	17,850.00
4 ACTION TRAILER SALES INC.	150.23
5 ACTION TRAILER SALES INC. (USD)	45,862.00
6 AK TOWING INC.	1,680.00
7 ALTER MONETA - PURCHASES	103,265.79
8 ALUMIBUNK CORPORATION	37,275.00
9 BELL CANADA	946.61
10 BIG DOG SOLUTIONS LIMITED	3,773.71
11 BLACK, SUTHERLAND	1,663.82
12 BUSINESS DEVELOPMENT BANK OF CANADA	6,700,000.00

DELOITTE & TOUCHE INC.  
 IN THE MATTER OF THE RECEIVERSHIP OF  
 FINANCIAL TRANSPORT INC.

CREDITOR NAME	TOTAL (\$)
13 CANADA REVENUE AGENCY	Unknown
14 CREW CHIEF CONVERSIONS	15,727.16
15 CRM CANADA	721.90
16 DIESEL TRUCK EMISSION	204.75
17 EQUIFAX	77.17
18 ERIC JAIN	2,806,287.52
19 FERNANDES HEARN LLP	3,002.25
20 GENESIS	80.00
21 GENEVIVE PATRAJ	1,756.13
22 GLASVAN GREAT DANE SALE INC. - US	269,837.50
23 GLOBAL SCRAP SOLUTIONS.	12,975.00
24 GSD ELECTRICAL	4,000.00
25 IRWIN COMMERCIAL FINANCE CANADA CORP	20,475.00
26 JAIN TRUCK CENTER - WOODHAVEN	770.45
27 KINGSTON PARTS & SERVICE	12,927.90
28 LANI DOMAGAS	4,400.27
29 LANDMARK VEHICLE LEASING	33,966.10
30 MINISTRY OF FINANCE	2,381.56
31 NEW MILLENIUM TIRE CENTRE	7,859.16
32 NOTHING BUT WATER PRODUCTS INC.	69.00
33 PETER LANDY	3,150.00
34 ROBIN STOECKLE	5,050.89
35 SPERGEL MANDELBAUM GLUCKMAN & FORESTER	22,500.00
36 STEINBERG MORTON HOPE & ISRAEL LLP	4,500.00
37 TRADER CORPORATION	4,282.95
38 TDEX	1,663,415.19
39 TST EXPEDITED SERVICES	128.90
40 U JAIN	1,557,667.58
41 VANESSA MONCRIEFFE	6,210.71
42 VANESSA PERRY	1,030.37
43 WABASH - USD	869,419.78
44 WORKPLACE SAFETY & INSURANCE BOARD	43.57
Total Unsecured	<u>16,323,521.66</u>

DELOITTE & TOUCHE INC.  
IN THE MATTER OF THE RECEIVERSHIP OF  
6181732 CANADA INC.

<u>CREDITOR NAME</u>	<u>TOTAL (\$)</u>
<b><u>SECURED CREDITORS</u></b>	
1 BANK OF MONTREAL	1,881,412.00
2 COMERICA BANK	Unknown
3 CORPORATION ALTER MONETA/ALTER MONETA CORPORATION	Unknown
Total Secured	<u>1,881,412.00</u>
<b><u>UNSECURED CREDITORS</u></b>	
1 ALUMI-BUNK CORP	1,076.73
2 BLACK SUTHERLAND LLP	1,602.40
3 COMERICA BANK	16,198.59
4 DELOITTE & TOUCHE LLP	17,841.01
5 FRED PLATT	2,500.00
6 FRED TAYAR	25,000.00
7 JOHN D ROGERS & ASSOCIATES	7,990.50
8 SKIRA & ASSOCIATES	4,684.75
9 SOIL ENGINEERS LTD.	420.00
10 SPERGEL MANDELBAUM GLUCKMAN & FORSTER LLP	7,654.00
Total Unsecured	<u>84,967.98</u>

DELOITTE & TOUCHE INC.  
IN THE MATTER OF THE RECEIVERSHIP OF  
2105810 ONTARIO INC.

<u>CREDITOR NAME</u>	<u>TOTAL (\$)</u>
<b><u>SECURED CREDITORS</u></b>	
1 BANK OF MONTREAL	129,400.00
2 COMERICA BANK	Unknown
3 CORPORATION ALTER MONETA/ALTER MONETA CORPORATION	Unknown
Total Secured	<u>129,400.00</u>
<b><u>UNSECURED CREDITORS</u></b>	
1 1354198 ONTARIO INC.	40,000.00
2 BLACK SUTHERLAND LLP	9,571.64
3 BORGAN CONSTRUCTION CORP	1,787.68
4 CANADA REVENUE AGENCY	Unknown
5 COMERICA BANK PAYABLE	116,036.70
6 ERIC JAIN	1,728,603.55
7 FINANCIAL TRANSPORT INC.	970,726.29
8 RECEIVER GENERAL	8,078.73
9 THE CORPORATION OF THE CITY OF KINGSTON	203.75
Total Unsecured	<u>2,875,008.34</u>

DELOITTE & TOUCHE INC.  
IN THE MATTER OF THE RECEIVERSHIP OF  
FREIGHTLINER OF KINGSTON INC.

CREDITOR NAME	TOTAL (\$)
<b><u>SECURED CREDITORS</u></b>	
1 ADD CAPITAL CORP.	Unknown
2 ADP CREDIT CORP.	Unknown
3 BANK OF MONTREAL	1,733,800.00
4 BODKIN CAPITAL CORPORATION	Unknown
5 BUSINESS DEVELOPMENT BANK OF CANADA	3,300,000.00
6 CANADIAN WESTERN BANK	Unknown
7 CIT FINANCIAL LTD.	Unknown
8 COAST CAPITAL EQUIPMENT FINANCE LTD.	Unknown
9 CORPORATION ALTER MONETA/ALTER MONETA CORPORATION	Unknown
10 ELEMENT FINANCIAL CORPORATION	Unknown
11 FREIGHTLINER CUSTOM CHASSIS CORPORATION	Unknown
12 FREIGHTLINER LTD.	Unknown
13 LANDMARK VEHICLE LEASING CORPORATION	Unknown
14 MERCADO CAPITAL CORPORATION, DIV. OF WESTMINSTER SAVINGS CREDIT UNION	Unknown
15 NATIONAL LEASING GROUP INC.	Unknown
16 RIORDAN CAR AND TRUCK RENTALS INC.	Unknown
17 RIORDAN LEASING INC.	Unknown
18 TORONTO DOMINION BANK	Unknown
19 TRAVELERS FINANCIAL CORP/CANADIAN WESTERN BANK	Unknown
20 TRAVELERS FINANCIAL CORPORATION	Unknown
<b>Total Secured</b>	<u><u>5,033,800.00</u></u>
<b><u>UNSECURED CREDITORS</u></b>	
1 1ST GUARANTY COLLISION & FRAME	1,195.95
2 2049574 ONTARIO LTD	4,058.04
3 2105810 ONTARIO INC.	287,460.00
4 2157622 ONTARIO INC	2,058.00
5 2228290 ONTARIO INC	2,280.00
6 407 ETR	412.93
7 6145086 CANADA INC	29,925.00
8 6181732 CANADA INC.	22,635.76
9 ALARM SYSTEMS	105.00
10 ALLAN &/OR KEVIN THOMPSON	315.00
11 ANDREW NELSON	919.36
12 ART MCCAFFREY'S GARAGE & TOWING LTD	630.00
13 BARNES DISTRIBUTION	66.42
14 BELL CANADA	3,498.46
15 BELL CANADA-BCE	870.21
16 BELL EXPRESSVU	37.76
17 BELLEVILLE INTERNATIONAL TRUCK	1,112.56
18 BELLEVILLE WATER	80.89
19 BMO Bank of Montreal (Mastercard)	8,987.63
20 BRAFASCO/CTF SUPPLY	287.03
21 BRANT OFFICE SUPPLY	100.55

DELOITTE & TOUCHE INC.  
 IN THE MATTER OF THE RECEIVERSHIP OF  
 FREIGHTLINER OF KINGSTON INC.

CREDITOR NAME	TOTAL (\$)
22 CANADA REVENUE AGENCY	UNKNOWN
23 CANLAND HYDRAULICS INC	147.46
24 CANNIFTON GARAGE 2000 LTD	511.79
25 CARDINAL COURIERS LTD	1,083.87
26 CHRIS CHAPMAN	2,311.99
27 CHRIS RAY/ TOWN OF BANCROFT	125.00
28 CHRIS ROY	1,091.33
29 COWIE ELECTRICAL SERVICES	787.24
30 CPL SYSTEMS CANADA INC	614.75
31 CUMMINS EST DU CANADA SEC	3,926.12
32 CURRIE TRUCK CENTRE	1,889.21
33 DAN LINKLETTER	3,430.74
34 DURL WANNAMAKER	3,524.75
35 EASTERN LIFT TRUCK	254.86
36 EATON CORPORATION	688.20
37 EDWARDS FORD SALES	879.28
38 ERIC JAIN	419,960.00
39 EVERGUARD SECURITY SYSTEMS LIMITED	201.60
40 EZEINK	482.06
41 FEDERAL EXPRESS	35.14
42 FELLOWS TOWING	1,535.63
43 FGI - FORT GARY INDUSTRIES LTD	185.39
44 FISHER AUTO PARTS & EQUIPMENT LTD	372.10
45 FREIGHTLINER OF CANADA LTD	52,675.52
46 G&K SERVICES CANADA INC	7,744.78
47 GARNER, DALE J	240.00
48 GEOFF McCRUDDEN ENTERPRISES	856.38
49 GOTCHA SIGNS	131.25
50 HARPER POWER PRODUCTS INC	250.01
51 HARPER TRUCK CENTRES INC	355.79
52 HASTINGS FIRE EQUIPMENT 976683 ONT INC	1,324.20
53 HAWLEY'S GARAGE	189.00
54 HYDRO ONE NETWORKS INC	2,050.77
55 JAIN TRUCK LEASE LTD.	42,000.00
56 JAMIE AMODEO	1,411.01
57 JARRELL-CHALMERS GROUP LTD	78.13
58 KAL TIRE	170.10
59 KEELER SALES & SERVICE	110.08
60 KINGSTON TRUCK CENTRE	3,353.18
61 KINGSWAY TRANSPORT	244.28
62 LINDE CANADA T4070	434.51
63 LOYALIST MANAGEMENT SYSTEMS INC	92.92
64 LYNN ALLEN	1,813.76
65 MANCO RECYCLING SYSTEMS INC	103.95
66 MASCOT TRUCK PARTS LTD	5,025.26
67 MEYERS TRANSPORT	123.08
68 MIKE COOPER	3,096.99

DELOITTE & TOUCHE INC.  
 IN THE MATTER OF THE RECEIVERSHIP OF  
 FREIGHTLINER OF KINGSTON INC.

CREDITOR NAME	TOTAL (\$)
69 MINISTRY OF FINANCE	2,337.45
70 MR PRINT CANADA INC	621.75
71 MULTI-FLOW FLUIDPOWER INC	148.84
72 NORTHUMBERLAND ROAD BUILDERS	120.00
73 OAK HILLS ARTESIAN WATER COMPANY LTD	31.25
74 ONTARIO BATTERY DIRECT	3,759.00
75 ORIGINAL PARTS WAREHOUSE INC	3,376.15
76 PARTSOURCE-BELLEVILLE	146.44
77 PAT ROGERS TOWING SERVICE	1,244.25
78 PERFORMANCE EQUIPMENT LTD	223.55
79 PETE UENS	2,426.37
80 PHONE WORKS	131.33
81 PUROLATOR COURIER LTD	284.23
82 QUINTE TRUCK & TRAILER	5,612.94
83 RADIANT COMMUNICATIONS CORP.	190.90
84 RAPID RAD	194.25
85 RECEIVER GENERAL OF CANADA	1.84
86 REIMER EXPRESS LINES LTD.	1,314.43
87 ROBERT KELLERT	1,938.30
88 ROBERT KONING	1,732.64
89 ROGER'S AUTO GLASS	743.40
90 ROGERS BUSINESS SOLUTIONS	152.93
91 RUSH LUBE INC	229.38
92 S & S TRUCK PARTS CANADA INC	7,101.33
93 SEAN BRYANT	1,858.56
94 SEAWAY ANSWERING SERVICE LTD	756.75
95 SHANE CASTAGNIER	2,742.66
96 SHAWN KIMMERLY	1,275.00
97 SIMCOE OFFICE PRODUCTS	128.65
98 SONIA JAIN	11,191.00
99 ST CATHERINES TRUCK & TRACTOR REPAIR CO LTD	9,382.61
100 STAPLES/Citi Commerce Solutions	0.44
101 STAY INN	826.69
102 STEPHEN HORNER/MATCO TOOLS	470.83
103 SUNTHARALINGAM & ASSOCIATES	8,400.00
104 TAMARA BEDAL	1,667.06
105 TDOC	24,569.67
106 TECH 9 IT SOLUTIONS INC	210.00
107 TELUS MOBILITY	1,364.66
108 TEXIS TRUCK EXHAUST	624.75
109 THE BENEFITS TRUST	7,444.36
110 TIM KRAEMER	2,088.32
111 TOROMONT INDUSTRIES	356.75
112 TOROMONT INDUSTRIES	2,501.35
113 TRACTION MISSISSAUGA	284.88
114 ULTRAMAR LTEE	3,071.63
115 UNION GAS LIMITED	3,290.36



DELOITTE & TOUCHE INC.  
IN THE MATTER OF THE RECEIVERSHIP OF  
FREIGHTLINER OF KINGSTON INC.

<u>CREDITOR NAME</u>	<u>TOTAL (\$)</u>
116 UNITED PARCEL SERVICE CANADA LTD	243.81
117 UNITED RENTALS	367.81
118 UNIVERSAL SUPPLY GROUP	955.90
119 UPPER LEVEL DOORS KINGSTON	144.38
120 USED CAR DEALERS ASSOCIATION	445.90
121 UTILITIES KINGSTON	3,882.26
122 VALERIE THOMPSON	1,202.24
123 WASTE MANAGEMENT	1,496.38
124 WINSLOW GEROLAMY MOTORS LTD	878.35
125 WORK PLACE SAFETY & INSURANCE BOARD	2,148.71
126 WURTH CANADA LTD	2,045.40
<b>Total Unsecured</b>	<b><u>1,067,331.08</u></b>

DELOITTE & TOUCHE INC.  
 IN THE MATTER OF THE RECEIVERSHIP OF  
 JAIN TRUCK LEASE LTD.

CREDITOR NAME	TOTAL (\$)
<b><u>SECURED CREDITORS</u></b>	
1 BANK OF MONTREAL	91,100.00
2 FINANCIAL TRANSPORT INC.	Unknown
3 KAL TIRE A CORPORATE PARTNERSHIP	Unknown
4 LANDMARK VEHICLE LEASING CORPORATION	Unknown
<b>Total Secured</b>	<b><u>91,100.00</u></b>
<b><u>UNSECURED CREDITORS</u></b>	
1 2105810 ONTARIO INC.	38,500.00
2 6181732 CANADA INC.	20,000.00
3 A & A DIGITAL SIGN & PRINTING LTD.	4,300.00
4 AIROLDI BROTHERS, INC.	3,545.44
5 ALL MAKE CAR & TRUCK REPAIR INC.	60,044.44
6 ALUMI BUNK CORPORATION	381.54
7 BLACK SUTHERLAND LLP	47.25
8 BROSSARD	464.91
9 C&M MOTORS	1,979.78
10 CALMONT NATIONALEASE - AB	6,745.73
11 CANADA REVENUE AGENCY	Unknown
12 CARMICHAEL NATIONALEASE	333.45
13 CHEYENNE FREIGHTLINER	5,696.79
14 CONTINENTAL TIRE CANADA, INC.	13,182.80
15 EDART	119.85
16 FINANCIAL TRANSPORT	1,469,779.45
17 FINANCIAL TRANSPORT USA INC.	14,305.32
18 GLASVAN TRAILERS INC.	3,360.00
19 GLOBAL TRANSPORT INSURANCE BROKERS INC.	500.00
20 JAIN TRUCK CENTERS - BELLEVILLE	7,443.86
21 M&K NATIONALEASE	2,484.81
22 MERIDIAN ENTERPRISES CORPORATION	2,749.11
23 MINISTRY OF FINANCE	Unknown
24 MIRAMAR NATIONALEASE	558.95
25 MODERN TRANSPORT REFRIGERATION SERVICES	16,437.89
26 NATIONALEASE - USD	33.34
27 NATIONALEASE OF UTAH	15,278.90
28 TCI LEASING RENTALS	424.13
<b>Total Unsecured</b>	<b><u>1,688,697.74</u></b>

DELOITTE & TOUCHE INC.  
IN THE MATTER OF THE RECEIVERSHIP OF  
GLOBAL TRANSPORT INSURANCE BROKERS INC.

<u>CREDITOR NAME</u>	<u>TOTAL (\$)</u>
<b><u>SECURED CREDITORS</u></b>	
1 BANK OF MONTREAL	181,865.00
2 LANDMARK VEHICLE LEASING CORPORATION	<u>Unknown</u>
Total Secured	<u>181,865.00</u>
<b><u>UNSECURED CREDITORS</u></b>	
1 JODY ALCORN	16,458.33
2 BELL CANADA	423.05
3 BJ BUILDING MAINTENANCE SERVICE	157.50
4 CANADA REVENUE AGENCY	Unknown
5 CHANDERKANT JAIN	274,024.17
6 ENBRIDGE GAS DISTRIBUTION	117.14
7 ENERSOURCE HYDRO MISSISSAUGA	143.65
8 FAST SIGNS	267.25
9 MARKEL INSURANCE COMPANY OF CANADA	1.00
10 NORDIC INSURANCE CO. OF CANADA	11,860.00
11 REGISTERED INSURANCE BROKERS OF ONTARIO	1.00
12 THE GUARANTEE COMPANY OF NORTH AMERICA	<u>602.14</u>
Total Unsecured	<u>304,055.23</u>

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**EXHIBIT K – RECEIVER’S INTERIM STATEMENT OF RECEIPTS  
AND DISBURSEMENTS FOR THE PERIOD  
FEBRUARY 1 TO FEBRUARY 19, 2010**

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DELOITTE & TOUCHE INC., COURT-APPOINTED RECEIVER OF  
FINANCIAL TRANSPORT INC., 6181732 CANADA INC., 2105810 ONTARIO INC., FREIGHTLINER OF KINGSTON INC.,  
JAIN TRUCK LEASE LTD. AND GLOBAL TRANSPORT INSURANCE BROKERS INC.  
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD FROM FEBRUARY 4 TO FEBRUARY 19, 2010

	FTI	618	210	FKI	JTL	GTIB	GTIB (in trust)	Total
<b>Receipts</b>								
A/R collections (1)	\$ -	-	-	43,463	19,616	-	-	63,079
Insurance premiums - in Trust							875	875
Advance from secured creditor (2)	169,860	2,000	140	53,000	-	25,000	-	250,000
<b>Total receipts</b>	<b>\$ 169,860</b>	<b>2,000</b>	<b>140</b>	<b>96,463</b>	<b>19,616</b>	<b>25,000</b>	<b>875</b>	<b>313,954</b>
<b>Disbursements</b>								
Administrative, taking possession and other	\$ 133	133	133	70	133	907	-	1,507
Contractors/consulting fees	499	-	-	-	-	-	-	499
Insurance	-	1,050	-	-	-	7,748	-	8,798
Receiver's payroll	-	-	-	8,560	-	1,220	-	9,780
Rent	2,571	-	-	15,268	-	-	-	17,839
Security	-	-	-	60	-	-	-	60
GST and PST paid (collected)	132	87	3	772	3	613	-	1,611
<b>Total disbursements</b>	<b>\$ 3,334</b>	<b>1,270</b>	<b>136</b>	<b>24,730</b>	<b>136</b>	<b>10,488</b>	<b>-</b>	<b>40,094</b>
<b>Excess of Cash Receipts over Disbursements</b>	<b>\$ 166,526</b>	<b>730</b>	<b>4</b>	<b>71,733</b>	<b>19,480</b>	<b>14,512</b>	<b>875</b>	<b>273,861</b>

*Notes:*

- (1) Does not include \$68,276.16 in electronic funds transfers which were processed by FTI on February 16, 2010 and deposited to the company's account, of which \$48,114.01 has been charged back to date.
- (2) Receiver Certificate dated February 12, 2010 to Bank of Montreal for \$250,000.