

**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

SECOND REPORT OF THE RECEIVER

March 15, 2010

Table of Contents

I. Introduction 1

II. Background..... 2

III. Activities of the Receiver 3

 GTIB – Vacating the Meyerside Location and Trust Account Reconciliation..... 3

 FTI and FKI Inventory of Vehicles 4

 FTI Lease Portfolio..... 6

 FKI Parts Inventory and Shop Equipment..... 7

 Bankruptcy of FTI and FKI 8

IV. Sales Process..... 8

 FTI and FKI Truck Inventory 8

 618 – Tomken Property 9

V. Conclusion 10

Exhibits

Receivership Order A

First Report of the Receiver dated February 23, 2010 B

Order dated February 26, 2010 C

Ritchie Bros. Auctioneers (Canada) Ltd. Proposal D

I. Introduction

1. By Order of the Honourable 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 (the “Companies”) 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. 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”)
3. By Order of the Honourable Justice Wilton-Siegel dated February 26, 2010 (the “February 26 Order”), the Receiver was authorized to implement the disposition strategy with respect to the assets of the Companies as outlined in the Receiver’s First Report to Court dated February 23, 2010 (the “First Report”) provided that the Receiver return to the Court for approval of the sale of the truck inventory. Attached hereto as Exhibits “B” and “C” are copies of the First Report and the February 26 Order, respectively.
4. The Receiver considers it advisable to inform this Honourable Court of the status of matters since the First Report; to obtain approval of the Receiver’s conduct to date; and to seek this Honourable Court’s approval of the Receiver’s acceptance of the proposal submitted by Ritchie Bros. Auctioneers (Canada) Ltd. (“Ritchie”) for the liquidation of the Companies’ truck and trailer inventory.

II. Background

5. 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.
6. 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%).
7. 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.
8. 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. GTIB’s shares are owned by Soniya Jain, the spouse of Chanderkant.
9. JTL is an Ontario corporation that was incorporated in 2007. JTL is in the business of maintaining vehicles. JTL 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.

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10. 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.

III. Activities of the Receiver

GTIB – Vacating the Meyerside Location and Trust Account Reconciliation

11. As outlined in the First Report, GTIB was not able to continue servicing its customers. Accordingly, the Receiver made arrangements for the transfer of all of GTIB's remaining customers to other registered insurance brokers or directly to the insurance companies providing coverage.
12. GTIB's office furniture and equipment at the Meyerside Location were sold for \$750.00 plus GST to a former tenant who undertook to remove the purchased assets by March 5, 2010.
13. The Receiver has arranged for the removal and offsite storage of GTIB's books and records and vacated the Meyerside Location on March 5, 2010.
14. The Receiver had taken possession of a 2009 Cadillac Escalade which was secured by a chattel mortgage in favour of the Bank of Montreal (the "Bank"). With the Bank's consent, the Cadillac was transferred to Manheim Toronto and sold via auction for approximately \$57,000 before costs.
15. During the process of reconciling GTIB's trust account, the Receiver contacted Markel Insurance Company of Canada ("Markel") to determine whether a cheque issued to GTIB by Markel dated January 22, 2010 in the amount of \$5,409 (the "Markel Cheque") had been cashed. The Receiver determined that the Markel Cheque was endorsed by Hilbert and deposited on February 4, 2010 to an account at the Bank of Nova Scotia ("BNS") in the name of Truckdepot Expedite Inc. ("TDX"), a company related to the Respondents as Chanderkant is a principal of TDX as well. The Receiver has advised BNS that the \$5,409 improperly deposited is to be returned to the Receiver and has requested that BNS conduct a review of all cheques deposited to the TDX account for the period November 1, 2009 to March 5, 2010 to determine whether any further funds belonging to any of the Companies were diverted to this account.

FTI and FKI Inventory of Vehicles

16. The Receiver has reviewed the books and records of FTI and FKI and has obtained Ministry of Transportation (“MTO”) vehicle registration reports in order to determine the registered ownership of the vehicles in its possession and of vehicles listed on FTI’s lease portfolio (the “Vehicles”). The general approach proposed by the Receiver is to rely on the ownership registry of the MTO as *prima facie* evidence of legal title.
17. In addition, the Receiver has obtained reports from the Personal Property Security Act Registration System (“PPSA”) and the Used Car Dealer Association (which sources its information from the PPSA) to identify any party with a registered security interest in the Vehicles.
18. The Receiver contacted all parties who have registered PPSA liens against the Vehicles to request copies of the documentation to support their potential secured interest. In particular, the Receiver has requested that parties claiming a security interest over a vehicle for which FKI or FTI are the registered owner according to the MTO registration provide the Receiver with copies of all lease or finance documentation.
19. In addition, where the efficacy, perfection or priority of the security interest could be subject to question, the Receiver has requested the following documentation/details for each vehicle being claimed:
 - a) Proof of the advance of funding under the security agreement;
 - b) The amount and to whom any advances were made; and
 - c) Copies of all loan or lease statements indicating details of all payments received and the amount of the outstanding balance.
20. A number of potential priority and perfection concerns appear to exist including:
 - a) Some parties hold security from TDX whereas the vehicle remains registered to FTI or FKI and FTI or FKI has joined in the financing agreement as a party;
 - b) Some parties hold security from TDX or others, and, although FKI or FTI has executed the financing agreement, the vehicle is registered to FTI rather than FKI or vice versa thereby calling the validity of the security into question;
 - c) Although the Receiver has relied on MTO records as to title, several suppliers have taken the position or advised the Receiver that title was never given to FTI or FKI (as the case may be) but was fraudulently transferred to such entity.

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21. The Receiver is not in a position to adjudicate all of these claims and does not wish to incur significant incremental costs. As a result, the Receiver is deferring disposition of vehicles pending resolution of factual and legal issues surrounding each vehicle.
 22. Where the security interest of the claiming party is not clear, the secured parties contacted by the Receiver are being advised that the Receiver will be bringing a motion before the Court for direction on the disposition of vehicles where there appears to be conflicting claims.
 23. In order to address the disposition of the vehicles, the Receiver is asking this Honourable Court for approval of the following:
 - a) Authorizing the Receiver to return the vehicle where the security interest of the claiming party appears relatively clear and the party has requested the return of the vehicle, subject to payment by the recipient to the Receiver of \$1,000 per vehicle in order to defray the Receiver's costs of recovery and storage, or such other arrangement as may be acceptable to the Receiver at its own discretion.
 - b) Where the secured party requests the return of a vehicle and where the efficacy, perfection or priority of the security interest in the vehicle could be subject to question, authorizing the Receiver to sell the vehicle in accordance with the sales process set out herein and to provide a detailed accounting of the proceeds of sale of each vehicle. The Receiver will seek direction of this Honourable Court as to the appropriateness of the registration, efficacy, and/or priority of any security before releasing any of the proceeds of sale. Any funds that may be payable to a secured creditor will be subject to a deduction of \$1,000 per vehicle in order to defray the Receiver's costs of recovery and storage.
 - c) Where the secured party does not request the return of a vehicle, authorizing the Receiver to sell the vehicle as set out herein, and provide a detailed accounting of the proceeds of sale of each vehicle. Where the security interest of the claiming party appears relatively clear, the Receiver will pay the net proceeds of sale to the claimant less a charge of \$1,000 per vehicle in order to defray the Receiver's costs of recovery and storage. Where the efficacy, perfection or priority of the security interest in the vehicle could be subject to question, the Receiver will seek direction of this Honourable Court as to the appropriateness of the registration and efficacy of the security before releasing any of the proceeds of sale, and the Receiver intends to withhold \$1,000 per vehicle from any payments in order to defray the costs of recovery and storage.
 24. As of the date of this report, the Receiver has noted numerous anomalies including the following:

a) Missing vehicles

- i) Several lessees have advised the Receiver that they had previously returned the leased vehicle. These reported returns are not recorded in FTI's books, nor were these reported returned vehicles located at the Dixie Location or the Belleville Location upon the Receiver's appointment.
- ii) Several vehicles recorded in FTI's books as being returned from lease were not located at the Dixie Location or the Belleville Location upon the Receiver's appointment.
- iii) Several vehicles reported by a secured creditor as being sold under a conditional sales contract or leased to FTI were not located and are not listed on FTI's lease portfolio.

b) Registration Irregularities

Several vehicles that various lenders financed under lease to companies related to the Respondents were registered under FTI's name with the MTO and were included in the FTI lease portfolio.

- 25. Complicating the Receiver's task of determining proper title to the FTI and FKI vehicles is the fact that the documentation contained in FTI and FKI's records was often incomplete or the documentation was nonexistent.
- 26. The Receiver has still not received an answer to the Receiver's inquiries of Chanderkant with respect to the 129 missing FTI vehicles and the 48 missing FKI vehicles as noted in the First Report. Chanderkant has also not provided a response to the Receiver's questions concerning the location/disposition of other assets of the Companies.

FTI Lease Portfolio

- 27. The Receiver has contacted or attempted to contact all parties who are recorded on FTI's books as being lessees in order to notify them of the receivership, to require payment of outstanding lease payments and to confirm the location of the leased vehicles.
- 28. FTI's books and records indicate that there were 205 vehicles in FTI's lease portfolio. A summary of the status of these vehicles is set out below:

Vehicles returned and in the Receiver's possession	41
Vehicles on which the lessee is making lease payments	23
Vehicles to be picked up from the lessee (voluntary surrender or repossession)	12
Vehicles recorded as "off-lease" that are missing	15
Vehicles leased to Freight Trans – account in arrears	23
Vehicles leased to TDX or on which TDX was making lease payments (excludes ten Freight Trans vehicles) – account in arrears	38
Other vehicles where the account is in arrears	44
Vehicles that were leased out by FTI but which appear to have been sold to another lease financing company in 2008	5
Vehicles that were not purchased by FTI (leases were prepared but not signed)	3
Vehicle that was written off & disposed of	1
Total	205

29. FTI's lease files indicate that twenty-three vehicles are leased to a company by the name of Freight Trans, of which ten leases were being paid for by TDX. Lease payments on all 23 vehicles are in arrears.
30. FKI's lease files indicate that only four vehicles are leased to TDX but that TDX was making lease payments on thirty-four other vehicles (excluding the ten leases to Freight Trans mentioned above) which are leased to a driver working for them. As of the date of this report, the lease payments for these thirty-eight vehicles are all in arrears.
31. Of the forty four accounts that are in arrears, the Receiver has sent collection letters to each lessee and has also made collection calls. In several cases, mail has been returned and/or the telephone number for the lessee is not in service. The Receiver will be pursuing other avenues to locate these delinquent debtors and missing vehicles.
32. The Receiver has commenced the process of issuing formal notices pursuant to S.244 of the BIA to lessees of vehicles from FTI for enforcement of the lease security and has contacted a bailiff with respect to making arrangements for the repossession of vehicles where payments on the lease remain outstanding and in arrears.

FKI Parts Inventory and Shop Equipment

33. The Receiver solicited offers from various parties for the purchase of the Freightliner parts inventory, shop and other sundry equipment located at the Belleville Location. An offer for \$60,000 was accepted, as it offered the best recovery for these assets and was the only offer that provided for the removal of the purchased assets in a short time frame.

Bankruptcy of FTI and FKI

34. Pursuant paragraph 3 (q) of the Receivership Order, the Receiver filed assignments in bankruptcy on behalf of FTI and FKI on March 5, 2010 and Deloitte & Touche Inc. was appointed trustee in bankruptcy of both companies.
35. The Receiver considered it advisable to file the assignments in for bankruptcy in order that a trustee in bankruptcy could conduct or require examinations under oath, and, specifically, to examine the principals of the Companies and/or any other persons having knowledge of the affairs of the Companies.
36. Notice of the bankruptcy was sent to the creditors of FTI and FKI on March 8, 2010. The first meeting of creditors is scheduled for March 19, 2010.

IV. Sales Process

FTI and FKI Truck Inventory

37. The Receiver invited five auctioneers/liquidators to attend at the Dixie Location and the Belleville Location to review the inventory of vehicles, parts inventory and shop equipment, and to submit a proposal for the liquidation of all the assets of FTI and FKI.
38. A total of six offers were received; five offers were received from the liquidators/auctioneers and one from a related party. As noted earlier in this report, the parts inventory and shop equipment at the Belleville Location were sold separately to another party who submitted the best offer with respect to these assets.
39. The Receiver recommends that this Honourable Court approve the Receiver's acceptance of the offer submitted by Ritchie for the sale of the truck inventory (the "Ritchie Proposal") for following reasons:
 - a) The Ritchie Proposal contains a Net Minimum Guarantee ("NMG") that is higher than the NMG offered by the other liquidators;
 - b) The Ritchie Proposal provides for the removal of assets and an offsite auction which will allow the Receiver to vacate the Dixie Location sooner thereby reducing occupancy costs;

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- c) The Ritchie Proposal provides for the removal of vehicles at the Belleville Location within a week's time which will allow the Receiver to vacate the Belleville Location at the earliest possible date thereby saving occupancy costs in excess of \$1,000 per day;
 - d) Ritchie has the facilities and resources to facilitate the Receiver's repossession and sale of vehicles in the future as they are recovered by the Receiver; and
 - e) The Bank, as the principal general secured creditor and a major stakeholder, is supportive of the Ritchie Proposal.
40. A copy of the Ritchie Proposal, deleting any reference to the amount of the net minimum guarantee, is attached hereto as Exhibit "D".
41. The Receiver believes that the amount of the Ritchie Proposal should be kept confidential until the closing of the transaction as disclosure of such detail could prejudice future sales efforts should the Ritchie Proposal not close for any reason.
42. An un-redacted copy of the Ritchie Proposal will be provided to this Honourable Court which the Receiver respectfully requests be sealed until the transaction closes.

618 – Tomken Property

43. The Receiver is in possession of two property appraisals prepared by Hendren Mitchell Real Estate Appraisals Ltd. ("Hendren") on the Tomken Property. The first appraisal dated February 18, 2008 was addressed to the Bank of Montreal. The second appraisal dated August 10, 2009 was addressed to Jain Truck Centres (an operating name for FKI), which is not the registered owner of the Tomken Property. Both appraisals were for the purpose of "mortgage financing".
44. The Receiver engaged Hendren to provide an updated appraisal that could be used to assist the Receiver in establishing a realistic listing price for the Tomken Property ("the Hendren Appraisal").
45. The Receiver has engaged Royal LePage Innovators Realty to list the Tomken Property for sale. Based on discussions with Royal LePage, and the Hendren Appraisal, the Receiver has listed the Tomken Property for sale at a price of \$3.5 million.

V. Conclusion

46. The Receiver respectfully requests that this Honourable Court grant an Order which provides for the following:
- a) approval of the activities of the Receiver from February 23, 2010 to March 15, 2010;
 - b) approval of the Ritchie Proposal accepted by the Receiver in connection with the sale of the truck inventory;
 - c) approval of the process to deal with conflicting security interests over the Vehicles as described herein;
 - d) sealing of the un-redacted copy of the Ritchie Proposal until the closing of the transaction;
 - e) authorizing the Receiver to retain the services of Ritchie with respect to future dispositions of vehicles as they are recovered by the Receiver; and
 - f) approval of the listing price of \$3.5 million for the Tomken Property.

All of the foregoing is respectfully submitted to this Honourable Court as of this 15th day of March, 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

EXHIBIT “A”



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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) THURSDAY, THE 4th 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.

✓ 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.

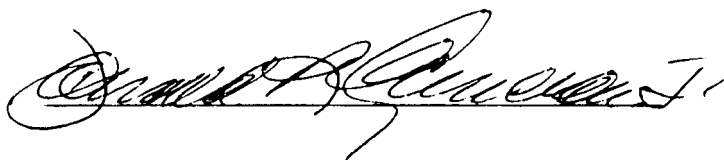
25. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

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

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Fax: (416) 218-1847

Lawyers for the Applicant

EXHIBIT “B”

**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

Table of Contents

I.	Introduction	1
II.	Background to Receivership.....	1
III.	Receiver's Activities to Date	3
	THE DIXIE ROAD LOCATION	3
	Possession and Control (FTI, JTL, 210 and 618)	3
	A - FINANCIAL TRANSPORT INC.	4
	FTI Employees	4
	FTI Fixed Assets and Equipment	4
	FTI Inventory of Vehicles	4
	FTI Accounts Receivable – Lease Portfolio	6
	FTI Insurance.....	6
	FTI Priority Payables.....	6
	B – FREIGHTLINER OF KINGSTON INC.....	7
	FKI - Possession and Control	7
	FKI Employees	8
	FKI Accounts Receivable	8
	FKI Parts Inventory	8
	FKI Belleville Vehicles	9
	FKI Priority Payables	9
	C- 6181732 CANADA INC.	10
	D – GLOBAL TRANSPORT INSURANCE BROKERS INC.....	10
	GTIB Possession and Control.....	10
	GTIB Assets and Recent Operations	12
	GTIB Customers and Markets	12
	GTIB Trust account review	13
	GTIB General operating account review	15
	E – JAIN TRUCK LEASE LTD.	16
	F – 2105810 ONTARIO INC.	17
	NOTICES TO CREDITORS	17
	REVIEW OF GENERAL BANKING ACTIVITY	17
	Analysis performed to date.....	17

Proposed Activities.....	19
IV. Proposed Marketing and Sales Process	19
FTI – Inventory of Vehicles	19
FTI – Lease Portfolio.....	20
618 - Property	20
FKI 20	
V. Receiver’s Cash Receipts and Disbursements	21
VI. Conclusion	21

Exhibits

Receivership Order	A
Initial Order	B
Monitor’s Report	C
GTIB Trust Account - Original Statement for the month of September 2009	D
GTIB Trust Account - Altered Statement for the month of September 2009	E
GTIB Operating Account - Original Statement for the month of September 2009	F
GTIB Operating Account - Altered Statement for the month of September 2009	G
Letter of Fred Tayar & Associates	H
Letter of Aird & Berlis LLP	I
Notice and Statement of Receiver	J
Receiver’s Interim Statement of Receipts and Disbursements for the period February 1 to February 19, 2010	K

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.

-
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,

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.

-
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

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.

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.

-
37. The Receiver estimates that \$19,000 is owing to FTI'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

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

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.

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

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

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 "**I**" 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

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.

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

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.

All of the foregoing is respectfully submitted to this Honourable Court as of this 23th 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

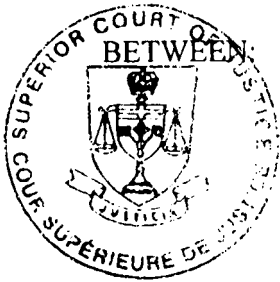
EXHIBIT “C”

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE) FRIDAY, THE 26TH DAY
)
JUSTICE WILTON-SIEGEL) OF FEBRUARY, 2010



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 MOTION, made by Deloitte & Touche LLP, in its capacity as court appointed Receiver (the “**Receiver**”) of the assets, undertakings and properties 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 “**Debtors**”) appointed pursuant to an Order dated February 4, 2010 (the “**Receivership Order**”), for an order, among other things, accepting and approving the First Report of the Receiver dated February 23, 2010 (the “**First Report**”), and the activities of the Receiver and its counsel described therein, and

approving the disposition strategy with respect to the assets, undertakings and properties of the Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report, including the Exhibits thereto and on hearing the submissions of counsel for the Receiver and counsel for the Debtors, ^{and CIT-12} ~~and counsel for Corporation Alter Moneta/Alter Moneta Corporation and CIT Financial Ltd.~~, no one else attending although properly served as appears from the affidavit of service of Susy Moniz sworn February 24, 2010,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that that First Report of the Receiver dated February 23, 2010, be and is hereby accepted and approved, along with the activities of the Receiver and its counsel described therein. None of the statements of fact contained in the Receiver's Report shall be binding upon any party in this proceeding.
3. **THIS COURT ORDERS** that the disposition strategy with respect to the assets of the Debtors, including as set out in paragraphs 106-116 of the First Report, be and is hereby approved, provided that the Receiver shall return to the Court for approval for the liquidation/auction of the truck inventory.
4. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to complete its proposed review and analysis of the sources and uses of funds of the Debtors prior to the date of the Receivership Order.
5. **THIS COURT ORDERS** that nothing in this Order shall prevent any party from requesting the trial of any issue in these proceedings.



Christina Irwin
Registrar, Superior Court of Justice

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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

Court File No: CV-10-85556-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER

AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place, 181 Bay Street

Suite 1800, Box 754

Toronto, Ontario M5J 2T9

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Solicitors for the Court-Appointed Receiver,
Deloitte & Touche Inc.

EXHIBIT “D”

Thursday, March 11, 2010

Ms. Brenda Wong
Deloitte & Touche LLP

Via email: brewong@deloitte.ca

RE: FINANCIAL TRANSPORT

Dear Ms. Wong:

Thank you for the opportunity to present this proposal for the attached Schedule "A" listing of assets.

Ritchie Bros. Auctioneers proposes to sell these assets by unreserved public auction. Our goal is to minimize costs & risk for you and the other stakeholders. We have unparalleled financial strength, making us a most trusted business partner.

We are proposing to sell these assets at our permanent auction facility in Bolton, Ontario on May 11 & 12, 2010. This proposal will allow us to take responsibility immediately upon approval of the contract, thereby shifting care and custody of the assets to Ritchie Bros., minimizing your risk and allowing you to minimize occupancy costs at storage locations.

We believe that Ritchie Bros. Auctioneers is in a unique position to assist in the disposition of these assets. Ritchie Bros. has established a global truck & equipment marketplace over the last 50 years, due in large part to our commitment to integrity and fair dealing, strict adherence to the unreserved auction model and a comprehensive worldwide marketing program that attracts bidders from over 200 countries to our auctions.

The Ritchie Bros. global truck & equipment marketplace ensures that equipment prices at our auctions sell for world fair market value on auction day. We sell more trucks & related assets than any other organization in the world (both on site at our auction facilities and online using our best-in-class internet bidding solution), and no other service provider is able to offer a turnkey, hassle-free solution that will deliver the highest possible net return.

In 2008 we sold over 253,000 equipment items for gross auction proceeds of \$3.6 billion. We sold more than \$700 million worth of assets to internet bidders. Our auctions offer the best of both worlds – on-site and online participation, so bidders chose how to take part, resulting in the highest possible gross proceeds. In 2009 we have continued to experience record bidding audiences, with large and diverse audiences of interested bidders attending our auctions from around the world. This has allowed us to continue to deliver the best possible returns on auction day.

Ritchie Bros. also has extensive experience with the disposition of financially distressed assets, particularly in the transportation sector. We regularly work with receivers, workout, turnaround and other insolvency professionals to facilitate a timely and commercially-reasonable disposal of assets. Our underlying goal in these types of assignments is to make your life easy – we take care of all the details.

Ritchie Bros. Auctioneers is pleased to offer the following for your consideration:

PROPOSAL

Ritchie Bros. Auctioneers is prepared to offer a cash sum of [REDACTED] dollars ([REDACTED]) plus GST for the 68 assets listed in the attached Schedule "A". All proceeds in excess of [REDACTED] shall be shared Seventy percent (70%) to the Vendor & Thirty percent (30%) to the Auctioneer.

Additional items that do not appear on the attached Schedule A may be added to a separate contract. Items may include sundry shop & office equipment that would be palletized & shrink wrapped. These items would be added to a straight commission contract at a commission rate of 12% based on the gross sale price of the equipment.

Terms of Purchase:

- The purchase is subject to final confirmation of the existence of all assets available for sale.
- All equipment will, at time of closing, be in as good or better condition as when viewed by a Ritchie Bros. representative on or about February 16, 2010.
- All documents evidencing title necessary for the transfer of ownership will be available and provided at closing.
- The necessary steps will be taken to ensure that clear title can be passed to Ritchie Bros. Auctioneers for the purposes of transferring clear title to buyers at our auction.
- This offer is subject to additions & deletions and Ritchie Bros. Auctioneers will work with Deloitte & Touche LLP to maintain an accurate equipment listing.
- Equipment will be removed from the Belleville location within 3 days & the Dixie Road location within 1 week.
- Payment for the assets shall occur upon receipt of the equipment at Ritchie Bros. Bolton auction facilities & upon receipt of the court's approval for the sale of the equipment.
- Ritchie Bros. Auctioneers will arrange all transportation of the equipment to its auction facilities in Bolton, ON FOB.

As we are preparing for our auction advertising brochure for our May 11th & 12th auction, time is of the essence. This proposal is effective until 5 pm EST on Thursday March 18, 2010 after which we reserve the right to allow our offer to expire. We will, however, be willing to extend this offer if both parties wish to continue discussions regarding the disposition of these assets for Financial Transport after this deadline has passed. Upon a verbal confirmation we are prepared to start hauling assets to our permanent auction facilities.

Thank you once again for the opportunity to submit this auction proposal – I look forward to receiving your most positive response.

Yours truly,



per: Chris Wright
Territory Manager
Tel: 905-857-2422
Fax: 905-857-5195

DELOITTE / FINANCIAL TRANSPORT

- 1 RBA ID: 1
15-5000
2007 FREIGHTLINER M2106 S/A VAN TRUCK
s/n 1FVACXCS27HY05094
C/W: Mercedes-Benz MBE 900, 6.4 L, 6 cyl diesel, 260 hp, eng brake, 6
spd, A/R susp, 12000 lb frts, 21000 lb rears, 60 in. integral sleeper, 24
ft body
- 2 RBA ID: 3
6
2006 FREIGHTLINER M2100 S/A VAN TRUCK
s/n 1FVACWCT55HU51572
C/W: Mercedes-Benz MBE 900, 6.4 L, 6 cyl diesel, 210 hp, A/T, A/R susp,
8000 lb frts, 17500 lb rears, 60 in. integral sleeper, 16 ft body
- 3 RBA ID: 4
5
2005 FREIGHTLINER M2100 S/A VAN TRUCK
s/n 1FVACWCT55HU51569
C/W: Mercedes-Benz MBE 900, 6.4 L, 6 cyl diesel, 210 hp, A/T, A/R susp,
8000 lb frts, 17500 lb rears, 60 in. integral sleeper, 18 ft body
- 4 RBA ID: 5
2-2154
2004 FREIGHTLINER M2100 S/A VAN TRUCK
s/n 1FVACWDD24HN41638
C/W: Cat C7, 7.2 L, 6 cyl diesel, A/T, A/R susp, 8000 lb frts, 17500 lb
rears, 60in. integral sleeper, 16 ft body
- 5 RBA ID: 6
2004 FREIGHTLINER M2100 S/A VAN TRUCK
s/n 1FVACWDD04HN41637
C/W: Cat C7, 7.2 L, 6 cyl diesel, A/T, A/R susp, 8000 lb frts, 17500 lb
rears, 60in. integral sleeper, 16 ft body
- 6 RBA ID: 7
24
2004 FREIGHTLINER M2100 S/A VAN TRUCK
s/n 1FVACWDD04HN41640
C/W: Cat C7, 7.2 L, 6 cyl diesel, A/T, A/R susp, 8000 lb frts, 17500 lb
rears, 60in. integral sleeper, 18 ft body
- 7 RBA ID: 8
25-27148
2003 FREIGHTLINER FL80 S/A VAN TRUCK
s/n 1FVABXAKX3HK54574
C/W: Cat 3126, 7.2 L, 6 cyl diesel, 6 spd, A/R susp, 12000 lb frts, 23000
lb rears, 24 ft body

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DELOITTE / FINANCIAL TRANSPORT

- 8 RBA ID: 9
10
2003 FREIGHTLINER FL80 S/A VAN TRUCK
s/n 1FVABXAK83HK54573
C/W: Cat 3126, 7.2 L, 6 cyl diesel, 6 spd, A/R susp, 12000 lb frts, 23000
lb rears, 24 ft body
- 9 RBA ID: 10
8
2003 FREIGHTLINER FL80 S/A VAN TRUCK
s/n 1FVABXAK13HK54561
C/W: Cat 3126, 7.2 L, 6 cyl diesel, 6 spd, A/R susp, 12000 lb frts, 23000
lb rears, 24 ft body
- 10 RBA ID: 11
4
2003 FREIGHTLINER FL80 S/A VAN TRUCK
s/n 1FVABXAK73HK54564
C/W: Cat 3126, 7.2 L, 6 cyl diesel, 6 spd, A/R susp, 12000 lb frts, 23000
lb rears, 24 ft body
- 11 RBA ID: 12
20
2002 FREIGHTLINER FL80 S/A VAN TRUCK
s/n 1FVABXAK72HJ65074
C/W: Cat 3126, 7.2 L, 6 cyl diesel, 6 spd, A/R susp, 12000 lb frts, 23000
lb rears, 60 in. mid roof sleeper, 24 ft body
- 12 RBA ID: 13
28
2002 FREIGHTLINER FL80 S/A VAN TRUCK
s/n 1FVABXAK12HJ53891
C/W: Cat 3126, 7.2 L, 6 cyl diesel, 6 spd, A/R susp, 12000 lb frts, 23000
lb rears, 60 in. mid roof sleeper, 24 ft body
- 13 RBA ID: 14
21
2001 FREIGHTLINER FL80 S/A VAN TRUCK
s/n 1FV6JJBA31HG93160
C/W: Cat 3126, 7.2 L, 6 cyl diesel, 6 spd, A/R susp, 12000 lb frts, 21000
lb rears, 60 in. mid roof sleeper, 24 ft body
- 14 RBA ID: 15
7
2001 FREIGHTLINER FL80 S/A VAN TRUCK
s/n 1FVABWAK51HG93174
C/W: Cat 3126, 7.2 L, 6 cyl diesel, 6 spd, A/R susp, 12000 lb frts, 23000
lb rears, 60 in. mid roof sleeper, 24 ft body

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DELOITTE / FINANCIAL TRANSPORT

- 15 RBA ID: 16
11
2000 FREIGHTLINER FL80 S/A VAN TRUCK
s/n 1FV6JJBB0YHG66890
C/W: Cat 3126, 7.2 L, 6 cyl diesel, Spicer 7 spd, A/R susp, 12000 lb
frts, 23000 lb rears, 60 in. mid roof sleeper, 24 ft body
- 16 RBA ID: 17
32
2000 FREIGHTLINER FL80 S/A VAN TRUCK
s/n 1FV6JJBA5YHB64819
C/W: Cat 3126, 7.2 L, 6 cyl diesel, Spicer 7 spd, A/R susp, 12000 lb
frts, 21000 lb rears, 60 in. mid roof sleeper, 24 ft body
- 17 RBA ID: 18
3
2000 FREIGHTLINER FL80 S/A VAN TRUCK
s/n 1FV6JJBA7YHB64837
C/W: Cat 3126, 7.2 L, 6 cyl diesel, Spicer 7 spd, A/R susp, 12000 lb
frts, 21000 lb rears, 60 in. mid roof sleeper, 24 ft body
- 18 RBA ID: 20
23
1996 FREIGHTLINER FL70 S/A VAN TRUCK
s/n 1FV3HFAA6TL751806
C/W: Cummins 5.9 L, 6 cyl diesel, 6 spd, A/R susp, 10000 lb frts, 19000
lb rears, 24 ft body
- 19 RBA ID: 21
18
2002 FREIGHTLINER FL60 S/A VAN TRUCK
s/n 1FVABPAL52HJ65034
C/W: Cat 3126, 7.2 L, 6 cyl diesel, A/T, A/R susp, 8000 lb frts, 17500 lb
rears, 15 ft body
- 20 RBA ID: 23
29
2003 FREIGHTLINER FL106 S/A VAN TRUCK
s/n 1FVAB1B833HK54559
C/W: Detroit Series 50, 8.5 L, diesel, eng brake, 10 spd, A/R susp, 12000
lb frts, 23000 lb rears, 60 in. integral sleeper, 24 ft body
- 21 RBA ID: 24
30-27152
2003 FREIGHTLINER FL106 T/A VAN TRUCK
s/n 1FVACXCS83HL84623
C/W: Mercedes-Benz diesel, 260 hp, 6 spd, A/R susp, 12000 lb frts, 21000
lb rears, 24 ft body

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DELOITTE / FINANCIAL TRANSPORT

- 22 RBA ID: 25
12
2000 FREIGHTLINER FL106 T/A VAN TRUCK
s/n 1FV68HCB8YHG42176
C/W: Detroit Series 50, diesel, eng brake, 10 spd, A/R susp, 12000 lb
frts, 40000lb rears, 60 in. unibuilt sleeper, 26 ft body
- 23 RBA ID: 27
27
1999 GMC C7500 S/A VAN TRUCK
s/n 1GDL7H1CXXJ502143
C/W: Cat 3126, 7.2 L, 6 cyl diesel, 6 spd, A/R susp, 8000 lb frts, 17500
lb rears, 15 ft body
- 24 RBA ID: 28
19-103
2004 INTERNATIONAL 4200 S/A VAN TRUCK
s/n 1HTMPAFP34H621203
C/W: VT365, diesel, A/T, A/R susp, 16 ft body
- 25 RBA ID: 29
14
2004 INTERNATIONAL 4200 S/A VAN TRUCK
s/n 1HTMPAFPX4H621201
C/W: VT365, diesel, A/T, A/R susp, 16 ft body
- 26 RBA ID: 30
26
1998 MACK MCS250 S/A VAN TRUCK
s/n VG6BA07A6WB600910
C/W: Renault diesel, 6 spd, A/R susp, 40 in. sleeper, 24 ft body
- 27 RBA ID: 31
1
1999 STERLING L8513 S/A VAN TRUCK
s/n 2FZ6MJBAXXAA75948
C/W: Cat 3126, 7.2 L, 6 cyl diesel, Spicer 7 spd, A/R susp, 12000 lb
frts, 21000 lb rears, 60 in. sleeper, 24 ft body
- 28 RBA ID: 32
36
2005 FREIGHTLINER CST120 T/A TRUCK TRACTOR
s/n 1FUJBBCK15LN64858
C/W: Detroit Series 60, 14.0 L, 6 cyl diesel, eng brake, Eaton Fuller 13
spd, dbldiff lock, A/R susp, 12000 lb frts, 40000 lb rears, 60 in. condo
unibuilt s leeper, alum wheels

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- 29 RBA ID: 33
17-4099
2008 FREIGHTLINER COLUMBIA 120 T/A TRUCK TRACTOR
s/n 1FUJA6CV08LY74234
C/W: Mercedes-Benz OM460CA, 12.8 L, 6 cyl diesel, 450 hp, Eaton Fuller 13
spd, dbl diff lock, A/R susp, 12000 lb frts, 40000 lb rears, 60 in. condo
unibuilt sleeper, alum wheels
- 30 RBA ID: 34
16-905
2008 FREIGHTLINER COLUMBIA 120 T/A TRUCK TRACTOR
s/n 1FUJA6CV68LY74237
C/W: Mercedes-Benz OM460CA, 12.8 L, 6 cyl diesel, 450 hp, Eaton Fuller 13
spd, dbl diff lock, A/R susp, 12000 lb frts, 40000 lb rears, 60 in. condo
unibuilt sleeper, alum wheels
- 31 RBA ID: 35
33
2006 FREIGHTLINER COLUMBIA 120 T/A TRUCK TRACTOR
s/n 1FUJA6AV86LW53724
C/W: Cat C15, diesel, 475 hp, eng brake, Autoshift, dbl diff lock, A/R
susp, 12000 lb frts, 40000 lb rears, 60 in. condo unibuilt sleeper, alum
wheels
- 32 RBA ID: 36
34
2001 FREIGHTLINER C120 T/A TRUCK TRACTOR
s/n 1FUJA3BG81LB60569
C/W: Cummins ISX, 6 cyl diesel, eng brake, Eaton Fuller 15 spd, dbl diff
lock, A/R susp, 12000 lb frts, 40000 lb rears, 60 in. condo unibuilt
sleeper
- 33 RBA ID: 37
37
2001 INTERNATIONAL 4700 T/A CAB & CHASSIS
s/n 1HTSCAAPX1H365101
C/W: DT466E, 6 cyl diesel, engine brake, Spicer 7 speed, spring over beam
susp, 12000 lb frts, 40000 lb rears, 218 in. WB
- 34 RBA ID: 38
35-151
2002 FREIGHTLINER FLD120SD TRI/A DUMP TRUCK
s/n 1FVHALAV82LK07320
C/W: Cat C15, 14.6 L, 6 cyl diesel, 475 hp, eng brake, Eaton Fuller 18
spd, dbl diff lock, dbl frame, spring over beam susp, 20000 lb frts,
46000 lb rears, alum wheels, Bibeau 20 ft heated steel contractor box,
air gate

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- 35 RBA ID: 40
TR7088
2001 GREAT DANE 7811TZ1AP53 53 FT T/A ALUMINUM REEFER TRAILER
s/n 1GRAA06261W017710
C/W: A/R susp, Carrier Phoenix Ultra reefer
- 36 RBA ID: 42
82613
1994 GREAT DANE 7811TZ148 48 FT T/A REEFER TRAILER
s/n 1GRAA9623RW027207
C/W: Thermo King Super II max reefer
- 37 RBA ID: 43
92235
2000 MANAC 94253001 53 FT T/A VAN TRAILER
s/n 2M592161XY7066901
- 38 RBA ID: 44
6886
2000 MANAC 94253001 53 FT T/A VAN TRAILER
s/n 2M5921617Y7066886
- 39 RBA ID: 45
2004 INTERNATIONAL 4200 S/A VAN TRUCK
s/n 1HTMPAFP44H656817
- 40 RBA ID: 46
1995 FREIGHTLINER FLD-112 S/A VAN TRUCK
s/n 2FUJ3EBE1SA629821
- 41 RBA ID: 47
1990 MACK S/A VAN TRUCK
s/n 1M2AA14Y3LW006296
- 42 RBA ID: 48
2002 UTILITY T/A VAN TRAILER
s/n 1UYVS25322G845409
- 43 RBA ID: 49
2006 FREIGHTLINER T/A TRUCK TRACTOR
s/n 1FUJA6CV46LW53698
- 44 RBA ID: 50
2005 FREIGHTLINER T/A TRUCK TRACTOR
s/n 1FUJBBCK35LN64859

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- 45 RBA ID: 51
2005 FREIGHTLINER T/A TRUCK TRACTOR
s/n 1FUJA6CK35LM82222
- 46 RBA ID: 52
2000 PETERBILT T/A TRUCK TRACTOR
s/n 1XPCCR9X1YD535752
- 47 RBA ID: 53
2000 FREIGHTLINER T/A TRUCK TRACTOR
s/n 1FUYNWEB2BYLG12465
- 48 RBA ID: 54
2000 FREIGHTLINER T/A TRUCK TRACTOR
s/n 1FUYSSSEB7YLF10175
- 49 RBA ID: 55
2000 FREIGHTLINER T/A TRUCK TRACTOR
s/n 1FUPCSZB8YLB98497
- 50 RBA ID: 56
1999 FREIGHTLINER T/A TRUCK TRACTOR
s/n 1FUY3WEB0XLA38873
- 51 RBA ID: 57
1998 VOLVO T/A TRUCK TRACTOR
s/n 4VG7DAPF8WN764703
- 52 RBA ID: 58
1997 INTERNATIONAL T/A TRUCK TRACTOR
s/n 2HSFHAMRXVC021088
- 53 RBA ID: 59
1997 INTERNATIONAL T/A TRUCK TRACTOR
s/n 1HSRSAMR7VH409631
- 54 RBA ID: 60
1998 FORD T/A TRUCK TRACTOR
s/n 1FDYL90EWVA22007
- 55 RBA ID: 61
1994 FORD T/A TRUCK TRACTOR
s/n 1FDZW90L5RVA52384
- 56 RBA ID: 62
1994 INTERNATIONAL T/A TRUCK TRACTOR
s/n 1HTGGA2T5RH551288

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- 57 RBA ID: 63
2004 INTERNATIONAL S/A TRUCK TRACTOR
s/n 1HTMPAFP54H621204
- 58 RBA ID: 64
2006 FREIGHTLINER VAN TRUCK
s/n WDYPD644165874716
- 59 RBA ID: 65
2007 FORD VAN TRUCK
s/n 1FTNE24W17DA94460
- 60 RBA ID: 66
2001 FORD CUBE VAN
s/n 1FDXE45F51HB26437
C/W: 16 FT VAN
- 61 RBA ID: 67
1993 GMC PICKUP
s/n 1GTFK24K6PE536072
- 62 RBA ID: 68
1989 FORD PICKUP
s/n 2FTHF26G8KCB03258
- 63 RBA ID: 69
2001 GREAT DANE VAN TRAILER
s/n 1GRAA06201W017704
- 64 RBA ID: 70
2001 GREAT DANE VAN TRAILER
s/n 1GRAA06241W017706
- 65 RBA ID: 71
2001 GREAT DANE VAN TRAILER
s/n 1GRAA06251W017701
- 66 RBA ID: 72
2001 GREAT DANE VAN TRAILER
s/n 1GRAA06261W017707
- 67 RBA ID: 73
2000 MANAC VAN TRAILER
s/n 2M5921612Y7066875
- 68 RBA ID: 74
2000 MANAC VAN TRAILER
s/n 2M5921619Y7066954

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Applicant

Respondents

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

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

Proceeding commenced at Toronto

MOTION RECORD

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Solicitors for the Court-Appointed Receiver,
Deloitte & Touche Inc.