

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

BETWEEN:

HSBC BANK CANADA

Applicant

- and -

FREIGHTCAN GLOBAL INC.

Respondent

**SECOND SUPPLEMENTAL REPORT
TO THE SPECIAL REPORT OF THE RECEIVER
DATED MAY 16, 2016**

Filed by Deloitte Restructuring Inc. in its capacity as the Court-appointed receiver of Freightcan Global Inc.

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INTRODUCTION

1. The purpose of this second supplemental report of the Receiver (the “**Second Supplemental Report**”) is to update the Court on recoveries following the service of its Supplemental Report dated March 29, 2016 (the “**Supplemental Report**”) and to amend the relief being sought from the Superior Court of Justice.
2. Unless otherwise defined in this Second Supplemental Report, capitalized terms will have the meaning ascribed in the Special Report dated January 20, 2016 (the “**Special Report**”), the Supplemental Report or in the Factum of the Receiver dated May 10, 2016.
3. Reference is made to paragraph 40 of the Special Report which sets out that CAD \$27,601.47 and USD \$58,430.00 had been transferred without the knowledge or consent of the Receiver, from Freightcan’s undisclosed bank accounts held at TD subsequent to the effective time of the Appointment Order. All of these transfers or cheques were initiated or signed by Prasad or Sitaram.

RECOVERY OF UNAUTHORIZED TRANSFERS OF FUNDS TO DATE

4. As set out in paragraph 5 of the Supplemental Report, CIBC voluntarily returned CAD \$11,771.19 to the Receiver on March 2, 2016. CIBC had indirectly received this amount from the Landlord by way of a transfer of funds from Freightcan’s TD Account to the Landlord on August 18, 2015. The Landlord has yet to return the difference of CAD \$13,178.81 (i.e. \$24,950.00 less \$11,771.19) to the Receiver.
5. On May 11, 2016, the Receiver entered into a settlement agreement with Liquid Capital which has since repaid funds to the Receiver.
6. On May 13, 2016, the Receiver entered into a settlement agreement with Transport Operators which has since repaid funds to the Receiver.
7. The Landlord has not returned the funds that were transferred by Freightcan’s principals and without the knowledge or consent of the Receiver.


RELIEF SOUGHT

8. For the reasons set out above and in the Special Report and Supplemental Report, the Receiver continues to recommend that the Court make an Order:
- (a) declaring that Prasad is in breach of section 4 of the Appointment Order;
 - (b) declaring that the Landlord is in breach of section 10 of the Appointment Order;
 - (c) requiring the Landlord to return the amount of CAD \$13,178.81 to the Receiver;
 - (d) awarding costs of the motion payable to the Receiver; and
 - (e) granting such further and other relief as counsel may advise and the Honourable Court may permit.

All of which is respectfully submitted at Toronto, Ontario this 16th day of May, 2016.

Deloitte Restructuring Inc.,
solely in its capacity as the
Court-appointed receiver of
Freightcan Global Inc., and
without personal or corporate liability

Per:



Paul M. Casey, CPA, CA, CIRP
Senior Vice-President