

**THE QUEEN'S BENCH
WINNIPEG CENTRE**

IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER PURSUANT TO SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985 c.B-3, AS AMENDED AND SECTION 55 OF *THE COURT OF QUEEN'S BENCH ACT*, C.C.S.M. c.C280

BETWEEN:

THE TORONTO-DOMINION BANK

Plaintiff,

-and-

KINGS CARGO EXPRESS LTD. AND CANADA CARGO LINES LTD.

Defendants.

**FIRST REPORT OF DELOITTE RESTRUCTURING INC.,
IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF
KINGS CARGO EXPRESS LTD. AND CANADA CARGO LINES LTD.**

January 21, 2021

RECEIVER

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INTRODUCTION

1. On September 30, 2020, The Toronto-Dominion Bank (“**TD**” or the “**Plaintiff**”) commenced an action in the Court of Queen’s Bench for Manitoba (the “**Court**”) seeking 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 s. 55 of the *Court of Queen’s Bench Act*, C.C.S.M. c. C280, to appoint Deloitte Restructuring Inc. (“**Deloitte**”) as receiver (the “**Receiver**”), without security, of all the present and after acquired assets, undertakings, and properties (the “**Property**”) of Kings Cargo Express Ltd. (“**Kings Cargo**”) and Canada Cargo Lines Ltd. (“**Canada Cargo**”) (collectively the “**Companies**”) acquired for or used in relation to a business carried on by the Companies. On October 5, 2020 (the “**Date of Receivership**”), the Honourable Justice G. L. Chartier granted an order (the “**Receivership Order**”) appointing Deloitte as Receiver. A copy of the Receivership Order (attached hereto as Appendix A) and other information regarding the receivership proceedings can be accessed on the Receiver’s website at www.insolvencies.deloitte.ca/en-ca/kingscargo (the “**Receiver’s Website**”).
2. This report constitutes the first report of the Receiver (the “**First Report**”), and is being filed to inform the Court as to the following:
 - (a) The activities of the Receiver since the Date of Receivership;
 - (b) Details of the Companies’ assets and liabilities including charges, security interests, and encumbrances registered against the Property; and
 - (c) A recommended sale transaction for certain of the Companies’ Property that exceed the Receiver’s powers granted in paragraph 3(1)(i) of the Receivership Order.
3. Furthermore, the First Report, along with the confidential supplement to the First Report dated January 21, 2021 (the “**Confidential Report**”), are being filed in support of the Receiver’s application to this Honourable Court on January 27, 2021, seeking the following:

- (a) An Order sealing the Confidential Report in the Court file;
- (b) Approval of the Lavish Offer (as defined below) and the respective Lavish APA (as defined below) for the sale of certain equipment and customer accounts of the Companies;
- (c) Approval of the repayment of the Receiver's borrowings under the Borrowing Facility (as defined below);
- (d) Approval of the reported actions of the Receiver since the Date of Receivership in respect of administering these receivership proceedings;
- (e) Approval of the Receiver's Statement of Receipts and Disbursements for the period October 5, 2020 to January 20, 2021; and
- (f) Approval of the fees and disbursements of the Receiver and its legal counsel.

TERMS OF REFERENCE

- 4. In preparing this First Report, the Receiver has relied upon unaudited financial information, the books and records of the Companies, and discussions with former management of the Companies, interested parties, and the stakeholders of the Companies.
- 5. The financial information of the Companies has not been audited, reviewed or otherwise verified by the Receiver as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles and the reader is cautioned that this First Report may not disclose all significant matters about the Companies. Additionally, none of the Receiver's procedures were intended to disclose defalcations or other irregularities. If the Receiver were to perform additional procedures or to undertake an audit examination of the financial statements in accordance with generally accepted auditing standards, additional matters may have come to the Receiver's attention. Accordingly, the Receiver does not express an opinion nor does it provide any other form of assurance on the financial or other information presented herein. The Receiver may refine or alter its observations as

further information is obtained or brought to its attention after the date of this First Report.

6. Unless otherwise stated, all monetary amounts contained in this First Report are expressed in Canadian dollars.
7. Capitalized terms used in this First Report but not defined herein are as defined in the Receivership Order.

BACKGROUND

8. Kings Cargo and Canada Cargo are private companies incorporated under the laws of the Province of Manitoba (i.e. July 2012 and January 2014, respectively), with their sole director and shareholder being Sharanjit Singh (“**Mr. Singh**”). As detailed in the Affidavit of Scott Semler dated September 25, 2020 (the “**Semler Affidavit**”), the Companies provided long haul trucking delivery services in Manitoba and across Canada and the United States.
9. TD is the principal secured lender to the Companies and holds various first ranking security positions (the “**TD Security**”) as against the Property. TD was owed approximately \$2.2 million (the “**TD Indebtedness**”) by the Companies as at September 22, 2020, with interest continuing to accrue thereon, as detailed in the Semler Affidavit.

Powers of the Receiver

10. The Receiver’s powers are detailed in Paragraph 3 of the Receivership Order and include the power to take and maintain possession and control of the Property; the power to manage, operate, and carry on the business of the Companies; and the power to market and sell the Property (subject to Court approval if one sale exceeds \$100,000 or if in the aggregate the sales exceed \$500,000), among others.
11. The Receivership Order also empowers the Receiver 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 the Court may by further Order authorize) (the “**Borrowing**

Facility”).

Possession and Control of the Property

12. On the Date of Receivership, the Receiver attended at the undernoted three (3) locations:
 - (a) 1870 King Edward Street in Winnipeg, Manitoba (the “**King Edward Location**”), which was initially believed to be the head office location for the Companies. However, upon arrival at the King Edward Location, the Receiver was advised by a representative of the existing tenant, Kings Truck and Trailer Repair Ltd., that the Companies had vacated the King Edward Location in July 2019, and had relocated to 344 Dawson Road.
 - (b) 344 Dawson Road in Winnipeg, Manitoba (the “**Dawson Road Location**”), which was believed to be the relocated head office of the Companies. However, upon arrival at the Dawson Road Location, the Receiver was advised by a representative of the existing tenant, Lavish Transport Ltd. (“**Lavish**”), that the Companies’ head office was located at 200 Transport Road.
 - (c) 200 Transport Road in Winnipeg, Manitoba (the “**Transport Road Location**”), which was believed to be the physical head office of the Companies. Upon arrival at the Transport Road Location, the Receiver met with Mr. Singh in a modular office trailer (the “**Office Trailer**”), which Mr. Singh represented was the leased head office for the Companies.

13. While onsite at the Transport Road Location, Mr. Singh represented that all of the books, records, and electronic storage media of the Companies was located in the Office Trailer, and that all of the rolling stock belonging to the Companies was located at 1247 Redonda Street in Springfield, Manitoba (the “**Triple O Yard**”), under a rental agreement with Triple O Transport Ltd. (“**Triple O**”). The Receiver attended the Triple O Yard with Mr. Singh on the Date of Receivership and identified sixteen (16) units in various states of repair, in addition to one (1) unit identified at the Transport Road Location. At that time, Mr. Singh advised the Receiver that certain other equipment belonging to the Companies was not located on the Triple O Yard, but that he was

expecting same to arrive back the evening of October 5, 2020.

14. As the Receiver removed the four (4) personal computers from the Office Trailer on the Date of Receivership, and all the books and records of the Companies on October 6, 2020, the Receiver did not incur the costs of changing the locks on the Office Trailer.
15. On October 6, 2020, the Receiver contacted Triple O and made arrangements to continue renting storage space for the Companies' rolling stock, and confirmed that Triple O would monitor the status and security of same.

ACTIVITIES OF THE RECEIVER

16. Since the Date of Receivership, the Receiver has undertaken the following activities with respect to the Property:
 - (a) Attended onsite at the Office Trailer and the Triple O Yard on the Date of Receivership to meet with Mr. Singh and to take possession and control of the Property;
 - (b) Attended at the registered office of the Companies at 11 Raphael Street, Winnipeg, Manitoba, on October 6, 2020, which was the personal residence of Mr. Singh, and requested that any and all records of the Companies located on the premises be forthwith provided to the Receiver (although as at the date of this First Report, no additional records or electronic storage media have been provided);
 - (c) Confirmed the existence of insurance coverage on the Property as at the Date of Receivership, and had the Receiver added as loss payee;
 - (d) Coordinated with Deloitte's Forensic and Investigative Services ("FIS") team to image the four (4) personal computers located in the Office Trailer at the request of TD;
 - (e) Engaged with Deloitte's FIS team to gain access to the Companies' QuickBooks accounting software as Mr. Singh failed to provide complete information to

access same, only to find that the records were incomplete;

- (f) Reviewed the books and records of the Companies retrieved from the Office Trailer and determined that the records only contained employee files and fleet maintenance records, and did not contain any accounting information (i.e. customer files and sales records, vendor files and invoices, financial statements, etc.) related to the Companies' operations;
- (g) Corresponded with Mr. Singh on multiple occasions to solicit his cooperation with respect to locating missing rolling stock and complete accounting records;
- (h) Corresponded with two (2) third party vendors that provided trucking management software to the Companies, Avaal and Trimble Transportation, in an effort to gain access to historical operating records for the Companies as Mr. Singh has failed to provide the Receiver with any information regarding same;
- (i) Negotiated a sale of certain assets of the Companies (further particularized below) with Lavish (the "**Lavish Offer**"), and formalized an asset purchase agreement (the "**Lavish APA**") for the sale transaction; and
- (j) Prepared, reviewed, and finalized this First Report and the Confidential Report.

OPERATIONS

17. On the Date of Receivership, Mr. Singh advised the Receiver that all employees of the Companies had previously been terminated in early January 2020, and thereafter, the Companies continued to operate with independent owner-operators. Mr. Singh failed to provide the Receiver with details of any shipments that were in transit as at the Date of Receivership other than to advise that certain equipment was to be returned to the Triple O Yard the evening of October 5, 2020. Since the Date of Receivership, the Receiver has located certain other equipment (further discussed below), but has not continued with operations of the Companies.

ASSETS

Accounts Receivable

18. As at the Date of Receivership, the Receiver had been provided with an accounts receivable subledger dated April 30, 2020 (the “**April 30, 2020 A/R Ledger**”) from TD, which was the most current financial information that TD had been provided by the Companies. The April 30, 2020 A/R Ledger detailed the following aggregate accounts owing to the Companies which approximated \$3.0 million (CDN):
- (a) Kings Cargo (CDN) - \$1,686,186 owing from 121 customers;
 - (b) Kings Cargo (USD) - \$894,886 owing from 112 customers;
 - (c) Canada Cargo (CDN) - \$284,303 owing from seven (7) customers; and
 - (d) Canada Cargo (USD) - \$138,810 owing from nine (9) customers.
19. On the Date of Receivership, the Receiver made multiple requests of Mr. Singh to advise where the accounting records of the Companies were located which supported the outstanding accounts. Mr. Singh represented that all of the supporting information was stored in QuickBooks and/or was in the books and records located in the Office Trailer. However, to-date, the Receiver has not located any accounts receivable records from the hardcopy records retrieved from the Office Trailer, and after engaging with Deloitte’s FIS team to gain access to the QuickBooks records, the accounts receivable records detailed therein were incomplete.
20. After further protracted e-mail correspondence with Mr. Singh (and his legal counsel), on October 27, 2020, Mr. Singh provided the Receiver with an invoice summary report (the “**Invoice Summary Report**”) detailing the following amounts owing to the Companies as at October 5, 2020:
- (a) Kings Cargo (CDN) - \$14,769 owing from five (5) customers;
 - (b) Canada Cargo (CDN) - \$92,433 owing from three (3) customers; and

(c) Canada Cargo (USD) - \$5,725 owing from one (1) customer.

On October 29, 2020, Mr. Singh provided copies of the supporting invoices for the above accounts.

21. On November 2, 2020, the Receiver was able to leverage Deloitte's FIS team to access the Companies' Avaal software and was able to generate an aged accounts receivable listing (the "**Aged A/R Listing**") detailing that \$154,673 (CDN) and \$12,175 (USD) was owing to the Companies as at the Date of Receivership. After cross referencing the Invoice Summary Report and the Aged A/R Listing, the Receiver compiled a list of outstanding accounts totaling approximately \$200,000 (CDN) (from 23 customers) as follows:

(a) Kings Cargo (CDN) - \$90,319 owing from sixteen (16) customers;

(b) Kings Cargo (USD) - \$6,450 owing from three (3) customers;

(c) Canada Cargo (CDN) - \$92,386 owing from three (3) customers; and

(d) Canada Cargo (USD) - \$5,725 owing from one (1) customer.

On November 3, 2020, the Receiver sent first collection notices to all twenty-three (23) customers, and on December 4, 2020, second and final collection notices were sent. As at the date of this First Report, the Receiver has collected approximately \$92,475.

22. Given the significant decrease in accounts receivable of approximately \$2.8 million from April 30, 2020 (approximately \$3.0 million) to October 5, 2020 (approximately \$0.2 million), the Receiver requested that Mr. Singh cooperate in providing a detailed reconciliation of the reduction. To date, Mr. Singh has only advised that the decrease is due to the following:

(a) *"AR listing was coming down month-by-month due to COVID19 impact";*

(b) *"I was hardly managing the company's routine and regular expenses and cash flow very hard";* and

(c) *“I was almost 3 months behind to pay the drivers, owner operators, sub-contractors, etc. I paid them from the AR balance”.*

23. As at the date of this First Report, the Receiver has been unable to obtain any further details to account for the reduction in the accounts receivable balance from April 30, 2020 to the Date of Receivership.

Equipment

24. On the Date of Receivership, the Receiver requested that Mr. Singh provide a complete list of all equipment owned by the Companies. As Mr. Singh did not provide same, the Receiver was only able to locate and physically inspect seventeen (17) units, one (1) of which was located at the Transport Road Location, and sixteen (16) of which were located at the Triple O Yard.
25. On October 7, 2020, after becoming aware that certain of the Companies' equipment may be located at the Dawson Road Location, the Receiver arranged with the principal of Lavish, Manjinder Rehal (“**Mr. Rehal**”), to attend the Dawson Road Location on October 9, 2020 to inspect and inventory all of the equipment located onsite. The Receiver identified two (2) units belonging to the Companies at the time of the October 9, 2020 site visit.
26. As it became apparent to the Receiver that it would be challenging to get an accurate and complete listing of equipment from the Companies, the Receiver made a request of Manitoba Public Insurance (“**MPI**”) and Arthur J. Gallagher Canada Limited (“**AGC**”) (the Companies' insurer) for lists of equipment registered and insured by the Companies.
27. Furthermore, after making repeated requests of Mr. Singh to provide the Receiver with a complete list of all equipment owned by the Companies, and the location(s) of same:
- (a) On October 15, 2020, the Receiver was advised by Triple O that certain equipment was delivered to the Triple O Yard. That same day, the Receiver attended at the Triple O Yard and confirmed that five (5) units had been

delivered;

- (b) On October 19, 2020, the Receiver received correspondence from AGC detailing 46 units insured by the Companies (the “**AGC List**”);
 - (c) On October 23, 2020, Mr. Singh advised the Receiver that four (4) additional units were delivered to the Dawson Road Location. The Receiver confirmed with Mr. Rehal that the units were delivered to the Dawson Road Location that same day, and arranged to have same secured onsite;
 - (d) On October 27, 2020, Mr. Singh finally provided the Receiver with a listing of equipment detailing thirty-nine (39) units, which he claimed was the complete list of equipment owned by the Companies (the “**Singh List**”);
 - (e) On October 28, 2020, the Receiver received correspondence from MPI detailing sixty-two (62) units currently registered by the Companies, or registered by the Companies at one point in time (the “**MPI List**”); and
 - (f) On November 2, 2020, Mr. Singh advised the Receiver that three (3) additional units were dropped at the Dawson Road Location. The Receiver again confirmed with Mr. Rehal that the units were delivered that same day, and arranged to have the equipment secured onsite.
28. As at November 2, 2020, the Receiver was in possession of thirty-one (31) units. In order to assess the value of same, on November 9, 2020, the Receiver engaged McDougall Auctioneers Ltd. (“**McDougall**”) to appraise the equipment. While attending at the Dawson Road Location on November 10, 2020 to appraise the assets, McDougall identified one (1) additional unit onsite belonging to the Companies. On November 12, 2020, McDougall provided the Receiver with its final appraisal (the “**McDougall Appraisal**”), a copy of which is attached to the Confidential Report.
29. On November 17, 2020, Mr. Singh advised the Receiver that an additional unit was delivered to the Dawson Road Location, and on November 18, 2020, Mr. Rehal confirmed that the unit would be secured onsite.

30. As at the date of this First Report, the Receiver has located and is in possession of thirty-three (33) units. Based on the Receiver's review and cross-referencing of the MPI List, the AGC List, the Singh List, and certain Manitoba Personal Property Security Registry ("PPSR") searches, the Receiver is still attempting to locate, and/or identify the disposition date of thirty-two (32) units owned (or once owned) by the Companies (the "Missing Equipment").

EQUIPMENT AND ACCOUNTS RECEIVABLE SALE

31. On or about October 15, 2020, Lavish's legal counsel, Boudreau Law, approached the Receiver's legal counsel, Taylor McCaffrey LLP ("**Taylor McCaffrey**"), to advise that Lavish had an interest in acquiring the assets and/or shares of the Companies. It is important to note that Lavish, and in particular its principal, Mr. Rehal, had a pre-existing relationship with the Companies. At one point in time, both Mr. Rehal and Mr. Singh were shareholders in Kings Cargo, and prior to a name change in August 2019 (as reflected in Lavish's corporate search appended to the Semler Affidavit), Lavish carried on business as Kings Cargo Group Ltd. Boudreau Law further advised the Receiver that Mr. Singh and Mr. Rehal were attempting to separate their respective transportation businesses in early 2018. In March 2018, TD agreed to provide credit facilities to the Companies, and insisted upon Mr. Rehal providing a personal guarantee (the "**Rehal Guarantee**") for the Companies' borrowings. Accordingly, Lavish is not only familiar with the Companies' business and customers, as well as these receivership proceedings, but given the Rehal Guarantee, Mr. Rehal has an interest in the Receiver maximizing recoveries if only to reduce his personal exposure.
32. Subsequent to October 15, 2020, Mr. Rehal and/or Boudreau Law continued to make inquiries with the Receiver and TD with a view to acquiring the Companies' equipment and, potentially, other assets. As the Receiver was still in the process of attempting to locate the Companies' assets, including missing equipment and books and records, the Receiver was not initially in a position to negotiate any transaction. During the months of October and November 2020, there were various discussions involving Mr. Rehal, TD, and the Receiver, contemplating different asset acquisition scenarios. During this

period, offers to purchase certain identified equipment of the Companies were presented to the Receiver, but were not ultimately finalized given Mr. Rehal's interest in not only acquiring assets, but also settling the Rehal Guarantee with TD (further particulars of which are set out in the Confidential Report).

33. By late November 2020, the Receiver had exhausted its efforts to locate any further equipment, was able to ascertain the status of the residual accounts receivable owing to the Companies, and had obtained the McDougall Appraisal. As such, the Receiver was in a position to either seriously pursue negotiating an asset sale with Lavish (if the purchase price was supportable), failing which the Receiver would proceed with a more formal sales process. In consultation with the principal stakeholder, TD, the Receiver made the determination to further explore sale negotiations with Lavish, which ultimately resulted in the Lavish APA dated January 13, 2021. The Lavish APA (a redacted copy of which is attached hereto as Appendix B, and an unredacted copy of which is attached to the Confidential Report) includes thirty-three (33) units (particularized in Schedule A to the Lavish APA), as well as the remaining accounts receivable of the Companies (particularized in Schedule 2 to the Lavish APA).
34. The Receiver is of the view that the Lavish APA is commercially reasonable in the circumstances and recommends Court approval thereof on the following grounds:
 - (a) The purchase price for the thirty-three (33) units exceeds the McDougall Appraisal and other valuation measures detailed in the Confidential Report;
 - (b) Given the uncertain economic environment, and the time and costs involved with a formal sales process, there is a risk that such a process may result in a lower realization; and
 - (c) Approval of the Lavish APA (and vesting Order (the "**Vesting Order**")) is supported by TD (but only until January 29, 2021, or such further date as agreed to solely by TD), which is not only the largest stakeholder in the receivership proceedings, but is also likely to sustain a significant shortfall in recovery of the Companies' indebtedness.

35. The Confidential Report prepared by the Receiver contains the results of the McDougall Appraisal and other valuations, as well as the specific purchase price to be paid under the Lavish APA, which if made public before the transaction is complete, would negatively impact the realizations if the Lavish APA is not approved by this Court.

CREDITOR CLAIMS

36. The Receiver and the Receiver's independent legal counsel, Taylor McCaffrey, have reviewed the validity and priority of the secured and priority claims that have been identified. Further, Taylor McCaffrey has conducted an independent review of the validity and enforceability of the TD Security (the "**Security Opinion**") and has opined that the TD Security:
- (a) is valid and enforceable; and
 - (b) ranks in priority to the unsecured creditors of the Companies and any subsequently appointed trustee in bankruptcy.
37. Taylor McCaffrey has further advised the Receiver that a search of the Manitoba PPSR disclosed that, subject to a number of prior registrations against specific serial numbered goods, TD has a priority charge over all present and after acquired property of the Companies. Additionally, the Manitoba PPSR disclosed that TD has priority to all the serial numbered goods constituting the equipment listed in the Lavish APA, save and except one (1) serialized good registration (the "**Arundel Registration**") in favour of Arundel Capital Corporation ("**Arundel**"). The Receiver has confirmed with Arundel that the Companies' outstanding obligations associated with this unit approximates \$2,300.
38. Based on the incomplete books and records in the Receiver's possession, the Receiver has been unable to identify whether the Companies have any priority payables such as obligations to Canada Revenue Agency ("**CRA**") on account of unremitted payroll source deductions or for goods and services tax ("**GST**"), or to the Minister of Finance on account of provincial sales tax ("**PST**") (collectively, the "**Priority Payables**").

39. Other unsecured creditors of the Companies include third party service providers who are not claiming any security interest in the Property. As at the Date of Receivership, the Companies listed unsecured creditors with claims of approximately \$135,000.
40. At the Date of Receivership, as the Companies did not have any employees, the Receiver determined that there was no need for any filing under the Wage Earner Protection Program (“WEPP”).

FEES AND DISBURSEMENTS OF THE RECEIVER AND ITS LEGAL COUNSEL

41. Pursuant to paragraph 21 of the Receivership Order, the Receiver and its legal counsel shall pass their accounts from time to time. The Receiver is of the view that the primary party of interest is TD given that they hold the primary security interest over all of the Property of the Companies. TD has been served with this First Report, has reviewed the contents of the Confidential Report, and has been provided with all invoices of the Receiver within these proceedings.
42. Attached as Appendix C is a summary of the invoices of the Receiver for fees and disbursements incurred during the course of the proceedings for the period October 5, 2020 to January 13, 2021. The Receiver’s accounts total \$108,908 in fees and disbursements, excluding GST.
43. The fees charged by the Receiver are based on the amount of professional time required at hourly billing rates, which vary depending upon the experience level and location of professionals involved. The average blended hourly rate charged by the Receiver in these proceedings for invoices issued to date is \$428 per hour. The rates charged by the Receiver are the normal rates and charges for engagements of this nature, and are comparable to the rates charged for the provision of services by other professional firms providing specialized financial advisory services.
44. The Receiver is of the view that its fees and disbursements are fair and reasonable in the circumstances and have been duly rendered in response to the required and necessary duties of the Receiver in accordance with the provisions of the Receivership Order.

45. Attached as Appendix D is a summary of the invoices of the Receiver's legal counsel for fees and disbursements incurred during the course of the proceedings for the period September 24, 2020 to January 11, 2021. The accounts total \$33,025 in fees and disbursements excluding PST and GST.
46. The Receiver has reviewed the invoices rendered by its legal counsel and finds them reasonable and validly incurred in accordance with the provisions of the Receivership Order.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

47. The Receiver has prepared a Statement of Receipts and Disbursements for the period October 5, 2020 to January 20, 2021 for the Companies, a copy of which is attached hereto as Appendix E. Total receipts were \$199,701 and total disbursements were \$106,981 (excluding outstanding Receiver fees and disbursements of \$52,030 (plus GST)), resulting in \$92,720 being held in trust by the Receiver.
48. As at the date of this First Report, in accordance with paragraph 23 of the Receivership Order, the Receiver has borrowed \$100,000 from TD pursuant to the Court authorized Borrowing Facility to fund the receivership activities. This Borrowing Facility has priority over all other claims as detailed in paragraph 23 of the Receivership Order. It is the Receiver's intention to repay the Borrowing Facility upon closing the Lavish APA.

APPROVALS SOUGHT

49. For the reasons outlined above, the Receiver respectfully requests that the Court provide an Order:
 - (a) Sealing the Confidential Report in the Court file;
 - (b) Approving the Lavish APA and granting the applicable Vesting Order;
 - (c) Approving the repayment of the Receiver's borrowings under the Borrowing Facility;

- (d) Approving the Receiver’s Statement of Receipts and Disbursements for the period October 5, 2020 to January 20, 2021;
- (e) Approving all activities, actions, and proposed courses of action of the Receiver (collectively, the “**Actions of the Receiver**”) to date in relation to the discharge of its duties pursuant to the Receivership Order, as such Actions of the Receiver are more particularly described in this First Report and the Confidential Report; and
- (f) Approving the fees and disbursements of the Receiver and its legal counsel for the period October 5, 2020 to January 13, 2021 and September 24, 2020 to January 11, 2021, respectively.

All of which is respectfully submitted at Winnipeg, Manitoba, this 21st day of January, 2021.

DELOITTE RESTRUCTURING INC.
In its capacity as Receiver of Kings Cargo
Express Ltd. and Canada Cargo Lines Ltd.
and not in its personal capacity.



Per: Brent Warga, CPA, CA, CIRP, LIT
Senior Vice-President

Appendix A - Receivership Order

File No. CI 20-01-28589

THE QUEEN'S BENCH
Winnipeg Centre

IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER PURSUANT TO
SECTION 243 OF THE BANKRUPTCY AND INSOLVENCY
ACT R.S.C. 1985, c. B-3 AS AMENDED, AND SECTION 55 OF
THE COURTS OF QUEEN'S BENCH ACT, C.C.S.M. c C280

BETWEEN:

THE TORONTO-DOMINION BANK

Plaintiff,

-and-

KINGS CARGO EXPRESS LTD. AND CANADA CARGO LINES LTD.

Defendants.

ORDER
(Appointing Receiver)

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ON READING the Affidavit of Scott Semler sworn September 25, 2020 and the Exhibits thereto, the Affidavit of Michelle Schop sworn October 1, 2020 and Exhibits thereto, the Notice of Motion of the Plaintiff dated September 28, 2020, the Brief of Law on behalf of the Plaintiff dated September 28, 2020, the Consent of Deloitte Restructuring Inc. to act as Receiver dated September 25, 2020, and the pleadings and proceedings herein, and on hearing the submissions of counsel for the Plaintiff, counsel for the Debtors, counsel for Manjinder Rehal and no other person although properly served as evidenced by the Affidavits of Service of Michelle Schop sworn herein, and upon hearing all other parties present,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 55 of the QBA, Deloitte Restructuring 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 and all real property and personal property in respect thereto (the "**Property**").

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the

relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to undertake environmental or workplace safety and health assessments of the Property and operations of the Debtors;
- (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 Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (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 \$100,000.00, provided that the aggregate consideration for all such transactions does not exceed \$500,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 59(10) of *The Personal Property Security Act* (Manitoba), or section 134(1) of *The Real Property Act* (Manitoba), subsection 59(10) of *The Personal Property Security Act* (British Columbia), subsection 60(1)(8) of *The Personal Property Security Act* (Alberta), subsection 59(10) of *The Personal Property Security Act* (Saskatchewan) and Section 63(4) of *The Personal Property Security Act* (Ontario), as the case may be, shall not be required.

- (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 Debtors;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (r) to assign the Debtors into bankruptcy;
- (s) to exercise any shareholder, partnership, joint venture or other rights which the Debtors 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 Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental

bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

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

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court provided; however, that nothing in this Order shall affect a Regulatory Body's investigation in respect of the Debtors or an action, suit or proceeding that is taken in respect of the Debtors by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body of the Court. "**Regulatory Body**" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a province.

10. THIS COURT ORDERS that if there is any dispute with a party other than the Debtors (a "**Third Party**") as to whether any property (the "**Disputed Property**") is owned by such Third Party or by one of the Debtors (and therefore constitutes Property which properly should be in possession of the Receiver pursuant to the terms of this Order), such Disputed Property shall be held by the Receiver pending further Order of this Court. Either the Third Party or the Receiver

may make application to the Court on seven (7) days prior notice to the other for an order asking for directions with respect to the Disputed Property.

NO EXERCISE OF RIGHTS OR REMEDIES

11. THIS COURT ORDERS that all rights and remedies (including, without limitation, set-off rights) against the Debtors the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors 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 provided that no further steps shall be taken in respect of such registration except for service of any initiating documents on the Debtors and the Receiver.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

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

The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, *The Environment Act* (Manitoba), *The Water Resources Conservation Act* (Manitoba), *The Contaminated Sites Remediation Act* (Manitoba), *The Dangerous Goods Handling and Transportation Act* (Manitoba), *The Public Health Act* (Manitoba) or *The Workplace Safety and Health Act* (Manitoba), 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.

18. THIS COURT ORDERS that:

(a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:

(i) before the Receiver's appointment; or

- (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or willful misconduct.
- (b) Nothing in sub-paragraph (a) exempts the Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
 - (i) if, within such time as is specified in the order, within ten (10) days after the order is made if no time is so specified, within ten (10) days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:
 - A. complies with the order, or
 - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
 - (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within ten (10) days after the order is made or within ten (10) days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,

- A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
 - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON THE RECEIVER'S LIABILITY

19. 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

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

21. 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 this Court, but nothing herein shall fetter this Court's discretion to refer such matters to a Master of this Honourable Court.

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

FUNDING OF THE RECEIVERSHIP

23. 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 \$250,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

24. THIS COURT ORDERS that the Receiver is granted leave to apply to the Court for an Order increasing the limit of the Receiver's Borrowing Charge.

25. 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.

26. 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.

27. 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.

28. THIS COURT ORDERS that the Receiver shall be allowed to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

SERVICE AND NOTICE

29. THIS COURT ORDERS that the Plaintiff and the Receiver be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile or electronic transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

30. THIS COURT ORDERS that counsel for the Receiver shall prepare and keep current a service list ("**Service List**") containing the name and contact information (which may include the address, telephone number and facsimile number or email address) for service to: the Plaintiff; the Receiver; and each creditor or other interested Person who has sent a request, in writing, to counsel for the Receiver to be added to the Service List. The Service List shall indicate whether each Person on the Service List has elected to be served by email or facsimile, and failing such election the Service List shall indicate service by email. The Service List shall be posted on the website of the Receiver at the address indicated in paragraph 31 herein. **For greater certainty, creditors and other interested Persons who have received notice of this Order and who do not send a request, in writing, to counsel for the Receiver to be added to the Service List, shall not be required to be further served in these proceedings.**

31. THIS COURT ORDERS that the Plaintiff, the Receiver, and any party on the Service List may serve any court materials in these proceedings by facsimile or by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Receiver may post a copy of any or all such materials on its website at www.insolvencies.deloitte.ca/en-ca/kingscargo Service shall be deemed valid and sufficient if sent in this manner.

GENERAL

32. 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.

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

34. 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.

35. 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.

36. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a solicitor-client basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

37. 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.

, 2020

Digitally signed by G.L. Chartier, J.
Date: 2020.10.05 12:53:10 -05'00'

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the receiver and manager (the "**Receiver**") of the assets, undertakings and properties Kings Cargo Express Ltd. and Canada Cargo Lines Ltd. (collectively the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of The Queen's Bench, Winnipeg Centre (the "**Court**") dated the ___ day of _____, 20__ (the "**Order**") made in an action having Court file number _____, 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 \$250,000.00 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 _____.

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 Restructuring Inc. solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

Appendix B - Redacted Asset Purchase Agreement

**DELOITTE RESTRUCTURING INC., in its capacity as
Court-appointed receiver of Kings Cargo Express Ltd. and
Canada Cargo Lines Ltd.**

as Vendor

- and -

LAVISH TRANSPORT LTD.

as Purchaser

ASSET PURCHASE AGREEMENT

JANUARY 13, 2021

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of this 13th day of January, 2021.

BETWEEN:

DELOITTE RESTRUCTURING INC., in its capacity as
Court-appointed receiver of Kings Cargo Express Ltd.
and Canada Cargo Lines Ltd.

(the "**Vendor**")

- and -

LAVISH TRANSPORT LTD.

(the "**Purchaser**")

RECITALS:

- A.** The Vendor was appointed as receiver, without security, of all of the assets, undertaking and properties of King's Cargo Express Ltd. and Canada Cargo Lines Ltd. (each a "**Debtor**" and collectively, the "**Debtors**"), including without limitation all of the Debtors' interests in the Purchased Assets (as defined herein), pursuant to an order (as such order may be amended or restated from time to time, the "**Receivership Order**") of the Manitoba Court of Queen's Bench (the "**Court**") dated October 5, 2020, bearing Court File No. CI 20-01-28589 (the "**Receivership Proceedings**");
- B.** The Vendor shall sell, and the Purchaser shall be obligated to purchase, all of the Vendor's and the Debtors' rights, title and interest, if any, in and to the Purchased Assets (as defined herein) on the terms and subject to the conditions set forth in this Agreement, including the issuance of the Approval and Vesting Order (as defined herein); and
- C.** Subject to the terms and conditions of this Agreement, the Vendor has agreed to bring a motion to obtain the Approval and Vesting Order (as defined herein) to, among other things, approve this Agreement and authorize and approve the sale and purchase of the Purchased Assets in accordance with the terms of this Agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are acknowledged), the parties agree as follows:

INTERPRETATION

1.1 Defined Terms.

As used in this Agreement, the following terms have the following meanings:

“Agreement” means this asset purchase agreement and all schedules and instruments in amendment or confirmation of it; and the expressions “Article” and “Section” followed by a number mean and refer to the specified Article or Section of this Agreement.

“Ancillary Agreements” means any and all bills of sale, certificates and instruments of conveyance delivered or given pursuant to or otherwise in connection with this Agreement.

“Approval and Vesting Order” means an order granted by the Court, the terms of which authorize, approve or confirm this Agreement and the sale of the Purchased Assets by the Vendor to the Purchaser and, upon Closing, vests title to the Purchased Assets in the Purchaser, free and clear of all Liens, in accordance with the terms of this Agreement.

“Authorization” means any order, permit, notice, approval, waiver, licence, consent or similar authorization of any Governmental Entity having jurisdiction over or any other Person or pursuant to any Laws or pursuant to any contract, lease or agreement.

“Business Day” means any day of the year, other than a Saturday, Sunday or any day on which banks are required or authorized to close in Winnipeg, Manitoba.

“Closing” means the completion of the transaction of purchase and sale contemplated in this Agreement.

“Closing Date” means the date which is twenty (20) Business Days following satisfaction of the condition set out in Section 7.1 hereof, or such other date that the Parties may mutually agree upon in writing.

“Condition Date” means January 29, 2021 or such other date that the Parties may mutually agree upon in writing.

“Court” means the Manitoba Court of Queen’s Bench.

“Deposit” has the meaning specified in **Section 3.1**.

“Effective Date” means January 13, 2021.

“Governmental Entity” means any multinational, federal, provincial, state, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign, any subdivision or authority of any of the foregoing, or any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.

“Laws” means any and all applicable laws including all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, ruling or awards and general principles of common and civil law and equity, binding on or affecting the Person referred to in the context in which the word is used in such laws.

“Lien” means any security interest, lien (statutory or otherwise) or other encumbrance of any kind or nature whatsoever, mortgage, deed of trust, trust or deemed trust, security agreement, pledge, hypothecation, assignment, deposit arrangement, claim, charge, rights of others, financing statement or preferential arrangement of any kind or nature whatsoever, including any conditional sale or other title retention agreement, or any other arrangement or condition which, in substance, secures payment or performance of an obligation.

“Parties” means the Vendor, the Purchaser and any other Person who may become a party to this Agreement.

“Person” means a natural person, partnership, limited partnership, corporation, trust, unincorporated association, joint venture or other entity or Governmental Entity, and pronouns have a similarly extended meaning, as the context may require.

“Purchase Price” has the meaning specified in **Section 3.1**.

“Purchased Assets” means, collectively, the vehicles and equipment as described in **Schedule "A"** hereto and those certain accounts receivable owed by account debtors as listed in **Schedule “B”** hereto.

1.2 Gender and Number.

Any reference in this Agreement or any Ancillary Agreement to gender includes all genders and words importing the singular number only shall include the plural and vice versa, as the context may require.

1.3 Headings, etc.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and are not to affect its interpretation.

1.4 Currency.

All references in this Agreement or any Ancillary Agreement to dollars, unless otherwise specifically indicated, are expressed in Canadian currency.

1.5 Certain Phrases, etc.

In this Agreement and any Ancillary Agreement:

- (a) the words “including” and “includes” mean “including (or includes) without limitation”;
- (b) the phrase “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of”; and
- (c) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding”.

1.6 Incorporation of Schedules.

The following Schedules shall, for all purposes of this Agreement, form an integral part of it:

Schedule	Description
Schedule "A"	Purchased Assets – Equipment/Vehicles
Schedule "B"	Purchased Assets – Accounts Receivable

ARTICLE 2 PURCHASED ASSETS

2.1 Purchased Assets.

On the Closing Date and subject to the terms and conditions of this Agreement, including without limitation the issuance of the Approval and Vesting Order, the Vendor agrees to sell, assign and transfer to the Purchaser, free from any and all Liens, and the Purchaser agrees to purchase from the Vendor, all of the Vendor's right, title and interest in the Purchased Assets.

ARTICLE 3 PURCHASE PRICE

3.1 Consideration to Vendor.

As consideration for the Purchased Assets, the Purchaser will provide to the Vendor consideration equal to [REDACTED] (the "**Purchase Price**"), which consideration will be given or payable by the Purchaser as follows:

- (a) A payment in the amount of [REDACTED] by way of deposit, payable on the date upon which this Agreement is executed (the "**Deposit**"); and
- (b) A payment in the amount of the balance of the Purchase Price, including all applicable taxes, payable on the Closing Date.

3.2 Deposit.

The Deposit shall be non-refundable, except as set forth below. If the Approval and Vesting Order is not obtained by the Condition Date in accordance with this Agreement, the Deposit will be returned to the Purchaser. If the transaction contemplated herein fails to close for any other reason other than default by the Vendor, the Vendor shall be entitled to retain the Deposit as liquidated damages.

3.3 Allocation of Purchase Price.

The parties acknowledge and agree that the Purchase Price shall be allocated as follows:

- (a) to vehicles and equipment, the sum of [REDACTED]; and
- (b) to the accounts receivable, the sum of [REDACTED].

The Vendor and the Purchaser agree to use the above allocations for any necessary tax or financial reporting.

3.4 Sales Taxes.

The Purchaser shall be liable for and shall pay all federal, state and provincial sales taxes and all other taxes, duties, registration charges or other like charges properly payable by a buyer upon and in connection with the conveyance of the Purchased Assets by the Vendor to the Purchaser.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE VENDOR

4.1 Representations and Warranties.

The Vendor represents and warrants as follows to the Purchaser and acknowledges and confirms that the Purchaser is relying upon the representations and warranties in connection with the purchase by the Purchaser of the Purchased Assets:

- (a) Residence. The Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).
- (b) Appointment. The Vendor has been duly appointed by the Court pursuant to the Receivership Order.
- (c) No Other Agreements to Sell Purchased Assets. Except for the Purchaser under this Agreement, no Person has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming such for the purchase from the Vendor of any of the Purchased Assets.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

5.1 Representations and Warranties of the Purchaser.

The Purchaser represents and warrants as follows to the Vendor and acknowledges and confirms that the Vendor is relying upon the representations and warranties in connection with the sale by the Vendor of the Purchased Assets:

- (a) Due Incorporation and Corporate Power. The Purchaser is a corporation incorporated and existing under the laws of the jurisdiction of its incorporation and has the corporate power and authority to enter into and perform its obligations under this Agreement and each of the Ancillary Agreements to which it is a party;
- (b) Validity of Agreement. The execution, delivery and performance by the Purchaser of this Agreement and each of the Ancillary Agreements to which it is a party:
 - (i) have been duly authorized by all necessary corporate or limited liability company, as applicable, action on the part of the Purchaser;
 - (ii) do not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) result in a breach or a violation of, or conflict with, any of the terms or provisions of its constituting documents or by-laws or any material contracts or material instruments to

which it is a party or pursuant to which any of its assets or property may be affected; and

- (iii) will not result in the violation of any Laws with the result that it would adversely affect the transactions contemplated hereby;
- (c) Required Purchaser Authorizations. There is no requirement on the part of the Purchaser to make any filing with, give any notice to, or to obtain any Authorization of, any Governmental Entity as a condition to the lawful completion by the Purchaser of the transactions contemplated by this Agreement;
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject only to any limitation under applicable laws relating to (i) bankruptcy, winding-up, insolvency, arrangement and other similar laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.

ARTICLE 6 COVENANTS OF THE PARTIES

6.1 Transfer of the Purchased Assets.

The Vendor and the Purchaser will use commercially reasonable efforts to obtain the Approval and Vesting Order by the Condition Date.

6.2 Accounts Receivable

The Vendor agrees that if, as a result of collections during the period between the Effective Date and the Closing Date, the aggregate accounts receivable listed in Schedule "B" are reduced below [REDACTED], the difference between [REDACTED] and the remaining amount of the Schedule "B" accounts receivable owing as of the Closing Date is to be credited to the Purchaser against the Purchase Price payable by it.

6.3 "As Is, Where Is".

The Purchaser expressly acknowledges and agrees that the Purchased Assets are purchased on a strictly "as is, where is" basis; there are no collateral agreements, conditions, representations or warranties of any nature whatsoever made by the Vendor, express or implied, arising at law, by statute or in equity or otherwise, with respect to the Purchased Assets and in particular, without limiting the generality of the foregoing, there are no collateral agreements, conditions, representations or warranties made by the Vendor, express or implied, arising at law, by statute or in equity or otherwise, as to description, fitness, suitability for any particular purpose, merchantability, condition, the value of the Purchased Assets, or compliance with Laws. The Purchaser acknowledges that it is relying

entirely on its own judgment and investigation with respect to the purchase of the Purchased Assets contemplated herein.

6.4 Actions to Satisfy Closing Conditions.

- (a) The Vendor agrees to take all such actions as are within its power to control and use commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with the condition set forth in Article 7.
- (b) The Purchaser agrees to take all such actions as are within its power to control and use commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with the condition set forth in Article 7.

**ARTICLE 7
CONDITION OF CLOSING**

7.1 Condition for the Mutual Benefit of the Parties.

The purchase and sale of the Purchased Assets is subject to the following condition to be fulfilled or performed, which condition is for the benefit of both the Vendor and the Purchaser, and which may not be waived, in whole or in part, except by mutual agreement of the parties:

- (a) the Vendor shall have obtained the Approval and Vesting Order by 11:59 pm (Winnipeg time) on the Condition Date, and no stay of proceedings in respect of the Approval and Vesting Order shall be in effect as of the Closing Date.

**ARTICLE 8
CLOSING**

8.1 Date, Time and Place of Closing.

The completion of the transaction of purchase and sale contemplated by this Agreement shall take place at the offices of Taylor McCaffrey LLP, 2200 – 201 Portage Avenue, Winnipeg, Manitoba, at 10:00 a.m. (Winnipeg time) on the Closing Date or in such electronic manner, or at such other place, on such other date and at such other time as may be agreed upon in writing between the Vendor and the Purchaser.

8.2 Closing Procedures.

At the Closing, the Seller will deliver a true copy of the Approval and Vesting Order and any Certificate from the Receiver as may be required thereunder to transfer ownership to

the Purchaser, and , and the Purchaser shall pay the balance of the Purchase Price in accordance with **Section 3.1**. For avoidance of doubt, the Purchaser acknowledges that the Purchased Assets are located at one of 344 Dawson Road, 200 Transport Road, and 1247 Redonda Street (all in Winnipeg, Manitoba), and that the Purchaser shall get possession of the Purchased Assets at its own expense. The Seller shall provide the Buyer with only those keys to the Purchased Assets that are in its possession. Any costs or proceedings required to acquire such possession shall be the responsibility of the Purchaser.

ARTICLE 9 MISCELLANEOUS

9.1 Termination.

- (a) This Agreement may be terminated and abandoned at any time prior to the Closing Date (i) by mutual written consent of the Parties; or (ii) by the Vendor or the Purchaser in the event the condition set forth in **Section 7.1** has not been satisfied on or before the Condition Date.
- (b) In the event of termination of this Agreement by either the Purchaser or the Vendor pursuant to **Section 9.1(a)**, the terminating Party must give prompt written notice thereof to the non-terminating Party.

9.2 Notices.

Any notice, direction or other communication given under this Agreement or any Ancillary Agreement shall be in writing and given by delivering it or sending it by facsimile or other similar form of recorded communication addressed:

- (a) to the Vendor at:

Deloitte Restructuring Inc.,
in its capacity as Court-appointed receiver of Kings Cargo Express Ltd.
and Canada Cargo Lines Ltd.
360 Main Street, Suite 2300
Winnipeg, MB R3C 3Z3[
Attention: Brent Warga/John Fritz
Facsimile number: (204) 947-2689

With a copy to:

Taylor McCaffrey LLP
2200-201 Portage Avenue
Winnipeg, MB
Attention: David R.M. Jackson/T. A. Kurbis
Facsimile number: (204) 953-7178

(b) to the Purchaser at:

c/o Manjinder Rehal
262 Sava Way
Winnipeg, MB
R2P 0G6

With a copy to:

Boudreau Law Barristers & Solicitors
100-1619 Pembina Highway
Winnipeg, MB
Attention: J.R. Norman Boudreau
Facsimile number: (204) 477-6057

Any such communications shall be deemed to have been validly and effectively given (i) if personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Winnipeg time) and otherwise on the next Business Day, or (ii) if transmitted by facsimile or similar means of recorded communication on the Business Day following the date of transmission. Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such Party at its changed address.

9.3 Time of the Essence.

Time shall be of the essence of this Agreement.

9.4 Expenses.

Except as otherwise expressly provided in this Agreement, all costs and expenses (including the fees and disbursements of legal counsel and accountants) incurred in connection with this Agreement, the Ancillary Agreements and the transactions contemplated herein and therein shall be paid by the Party incurring such expenses.

9.5 Amendments.

This Agreement may only be amended or otherwise modified by written agreement executed by the Vendor and the Purchaser.

9.6 Waiver.

(a) No waiver of any of the provisions of this Agreement or any Ancillary Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver be binding unless executed in writing by the Party to be bound by the waiver.

- (b) No failure on the part of the Vendor or the Purchaser to exercise, and no delay in exercising any right under this Agreement shall operate as a waiver of such right, nor shall any single or partial exercise of any such right preclude any other or further exercise of such right or the exercise of any other right.

9.7 Entire Agreement.

This Agreement together with the Ancillary Agreements constitutes the entire agreement between the Parties with respect to the transactions contemplated in this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth herein and therein and the Vendor and the Purchaser have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement and the Ancillary Agreements. If there is any conflict or inconsistency between the provisions of this Agreement and the provisions of any Ancillary Agreement, the provisions of this Agreement shall govern.

9.8 Successors and Assigns.

This Agreement shall become effective when executed by the Vendor and the Purchaser and after that time shall be binding upon and enure to the benefit of the Vendor and the Purchaser and their respective successors and permitted assigns. Neither this Agreement nor any of the rights or obligations under this Agreement shall be assignable or transferable by any Party without the prior written consent of the other Party.

9.9 Severability.

If any provision of this Agreement shall be determined by any court of competent jurisdiction to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions shall remain in full force and effect.

9.10 Governing Law and Attornment.

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of Manitoba and the federal laws of Canada applicable therein. Each of the Vendor and the Purchaser irrevocably attorn and submit to the non-exclusive jurisdiction of the Court of Queen's Bench of Manitoba with respect to any matter arising under or related to the Agreement or any Ancillary Agreement.

9.11 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or other electronic means, including without limitation by e-

mail of a pdf., jpeg., tiff. or other similar electronic format, of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

[Remainder of Page Intentionally Left Blank, Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

**DELOITTE RESTRUCTURING INC.,
in its capacity as Court-appointed
receiver of Kings Cargo Express Ltd. and
Canada Cargo Lines Ltd.**

by: B. Warga
Name: Brent Warga, CA, CPA, CIRP, LIT
Title: Senior Vice-President

LAVISH TRANSPORT LTD.

by: Manjinder
Name: Manjinder Rehal
Title: President

SCHEDULE "A"

PURCHASED ASSETS – EQUIPMENT/VEHICLES

#	Category	Year	Description	Serial Number
1	Motor Vehicle	2009	LODE KING	2LDSD48289G049648
2	Trailer	2008	UTILITY 53' REEFER TRAILER	1UYVS25318U322912
3	Trailer	2016	Doonan Specialized Drop Deck	1D9BG5334G1609231
4	Trailer	2015	Doonan Drop Deck	1D9BG5331F1609685
5	Motor Vehicle	2012	PETERBILT, 386	1XPHDP9X2CD147335
6	Motor Vehicle	2007	Kenworth T600 Hwy Trac	1XKADB8X47J093880
7	Trailer	2008	LODE KING TAN DROP DECK	2LDSD53288G047832
8	Trailer	2016	LODE KING LOW PRO COMBO STEP DECK	2LDSD5330GG061148
9	Motor Vehicle	2007	KENWORTH	1XKTDU8X47J203279
10	Trailer	2016	LODE KING LOW PRO COMBO STEP DECK	2LDSD5339GG061147
11	Motor Vehicle	2012	VOLVO VNL64T 670	4V4NC9EJ3CN556589
12	Trailer	2015	LODE KING SDG53-3 DRP DCK	2LDSD5339FG060532
13	Trailer	2015	LODE KING SDG53-3 DRP DCK	2LDSD5330FG060533
14	Motor Vehicle	2014	VOLVO VNL64T670 HWY	4V4NC9EH8EN163221
15	Trailer	2014	LODEKING 53FT FLAT DECK	2LDPF5337EL057313
16	Motor Vehicle	2012	VOLVO DAY CAB TRACTOR	4V4NC9EGXCN548607
17	Motor Vehicle	2015	DOONAN DROP DECK TRL	1D9BG533XF1609684
18	Motor Vehicle	2012	VOLVO DAY CAB TRACTOR	4V4NC9EG2CN548617
19	Trailer	2016	Doonan	1D9BG5337G1609322
20	Trailer	N/A	Lode King	2LDSD5331EG057767
21	Trailer	2014	LODE KING 53' TRIAXLE DROP DECK	2LDSD5331EG057770
22	Trailer	2015	Doonan	1D9BG5335F1609687
23	Trailer	2016	Doonan	1D9BG5339G1609323
24	Trailer	2016	Doonan	1D9BG5332G1609325
25	Trailer	2013	Lode King	2LDSD533XEG057296
26	Trailer	2014	Lode King	2LDSD5335EG056878
27	Motor Vehicle	2012	Peterbilt	1XPHDP9X5DD205844
28	Trailer	2014	J Doonan	1D9BG5321F1609189
29	Motor Vehicle	2013	Volvo	4V4NC9EJ2DN566631
30	Motor Vehicle	2012	Kenworth	1XKADP9X0CJ956115
31	Trailer	N/A	Doonan	1D9BG5332G1609230
32	Motor Vehicle	N/A	Volvo	4V4NC9EHXEN163222
33	Trailer	2016	Doonan Tridem Drop Deck	1D9BG5330G1609324

Appendix C - Fees and Disbursements of the Receiver

KINGS CARGO EXPRESS LTD. AND CANADA CARGO LINES LTD.

SUMMARY OF RECEIVER FEES AND DISBURSEMENTS

Date	Invoice #	Fees	Disbursements	GST	Total	Hours
11-Nov-20	8001451593	\$ 56,390	\$ 488	\$ 2,844	\$ 59,721	135.9
15-Jan-21	8001557782	51,318	713	2,602	54,632	115.7
Total		\$ 107,708	\$ 1,200	\$ 5,445	\$ 114,353	251.6



Invoice 8001451593

Deloitte Restructuring Inc.

360 Main St
Suite 2300
Winnipeg MB R3C 3Z3

ATTN: Scott Semler
The Toronto-Dominion Bank
10th Floor, 421 - 7th Avenue SW
Calgary AB T2P 4K9
Canada

Tel: (204) 942-0051
Fax: (204) 947-9390
www.deloitte.ca

Date: November 11, 2020
Client No.: 1139799
WBS#: TDB00485
Engagement Partner: Brent Warga
GST Registration: 122893605RT0001

For professional services rendered

Fees

In accordance with the Receivership Order dated October 5, 2020.
Time incurred for the period October 5, 2020 to October 31, 2020.

B. Warga - Partner (48.9 hrs): 25,672.50
J. Fritz - Senior Manager (40.3 hrs): 17,127.50
B. Casey - Senior Manager (7.5 hrs): 3,187.50
T. Dew - Senior Consultant (21.9 hrs): 6,022.50
K. Lodin - Senior Consultant (13.0 hrs): 3,575.00
N. Darman - Consultant (3.0 hrs): 675.00
A. Keene - Technician (1.3 hrs): 130.00
Total (135.9 hrs): 56,390.00

GST applicable 56,390.00

Expense

Mail Re-direction

GST applicable 487.60

Sales Tax

GST at 5.00% 2,843.88

Total Amount Due (CAD) 59,721.48

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.

KINGS CARGO EXPRESS LTD. AND CANADA CARGO LINES LTD.
RECEIVERSHIP TIME SUMMARY
INVOICE NO: 8001451593

Date	Name	Hours	Total	Description
10/5/2020	Dew, Todd	3.0	825.00	Attend premises; meet with principal of the Companies; remove computer systems to Deloitte office.
10/5/2020	Fritz, John	6.0	2,550.00	Attendance at three (3) locations represented to be related to the Companies; meeting with Companies' principal; review and collection of electronic material; review and documentation of onsite assets.
10/5/2020	Warga, Brent	6.2	3,255.00	Attendance (via phone) at Court hearing; attendance at various sites to locate assets and company records; call with D. Jackson re: file matters; call with S. Gabor re: file matters.
10/6/2020	Dew, Todd	5.0	1,375.00	Pack up records; create equipment list; create and fax Receivership Appointment documents to financial institutions.
10/6/2020	Keene, Ashley	1.1	110.00	Website creation and update.
10/6/2020	Fritz, John	4.5	1,912.50	Corporate searches re: related corporations; asset identification process calls with counsel and bailiff; update to primary secured creditor and counsel; statutory reporting; attendance at registered office of Companies.
10/6/2020	Warga, Brent	5.5	2,887.50	Drafting correspondence for financial institutions re: freezing accounts; attendance at RBC/BMO; compilation of a/r listing; review of various e-mail correspondence from S. Gabor; update call with TD, S. Gabor, and D. Jackson; attendance at 11 Raphael.
10/7/2020	Dew, Todd	2.0	550.00	Fax documents to Bank of Montreal; open files in Ascend; create mailing lists; create Service List for mailing.
10/7/2020	Keene, Ashley	0.1	10.00	Website update.
10/7/2020	Fritz, John	2.3	977.50	Call with counsel; insurance matters; direction to T. Dew re: statutory documents.
10/7/2020	Casey, Brian	0.5	212.50	Data information gathering; project management; analysis coordination re: desktops.
10/7/2020	Warga, Brent	2.2	1,155.00	Extraction of hard drives and couriering to National; call with D. Jackson re: correspondence from N. Boudreau; call to K. McIntyre; review of draft legal correspondence to N. Boudreau re: Lavish cooperation.
10/8/2020	Dew, Todd	0.4	110.00	Format creditor reports for Notice and Statement of Receiver; review emails pertaining to inventory.
10/8/2020	Casey, Brian	1.0	425.00	Data information gathering; project management; analysis coordination re: desktops.
10/8/2020	Warga, Brent	2.1	1,102.50	Review and updates to correspondence to M. Weinstein and K. McIntyre; review of correspondence from N. Boudreau and responding to same; call with forensic team re: imaging; call with D. Jackson re: service of Order.
10/9/2020	Keene, Ashley	0.1	10.00	Website update.
10/9/2020	Dew, Todd	6.0	1,650.00	Mailing to creditors; affidavits of mailing; meet with Lavish personnel; inventory count at Lavish; format equipment list.
10/9/2020	Fritz, John	0.4	170.00	Correspondence with counsel to secured creditor and external correspondence re: receivable accounts.
10/9/2020	Warga, Brent	3.7	1,942.50	Attendance at Lavish to inventory assets; meeting with M. Rehal; call with S. Gabor; call with S. Semler; e-mail correspondence with legal counsel re: site visit.
10/13/2020	Fritz, John	1.2	510.00	Mail redirection direction to T. Dew; correspondence with interested parties; equipment matters.
10/13/2020	Warga, Brent	3.8	1,995.00	Review of bank details provided by TD; review of PPSR equipment details; preparation of master equipment list; call with D. Jackson re: attendance at 344 Dawson; call with J. Fritz re: file matters.
10/14/2020	Fritz, John	1.0	425.00	Landlord matters re: parking area; interested party enquiries; insurer call and correspondence; direction to T. Dew.
10/14/2020	Warga, Brent	3.1	1,627.50	Preparation of A/R mailing list; call with S. Gabor and D. Jackson; e-mail correspondence with M. Rehal.
10/14/2020	Lodin, Khalid	1.0	275.00	Imaging drives and analysis.
10/15/2020	Fritz, John	2.8	1,190.00	Discussions with and correspondence to Winnipeg yard site landlord; attendance at Winnipeg yard site and former Head Office location re: review of additional equipment; insurance correspondence.
10/15/2020	Warga, Brent	2.4	1,260.00	Review of Lavish Equipment listing and cross referencing to master list; call with N. Boudreau re: A/R and M. Rehal's cooperation in locating missing equipment; call with J. Fritz re: file matters; e-mail correspondence with lab re: imaging and results.
10/16/2020	Fritz, John	2.6	1,105.00	Correspondence with S. Singh re: outstanding equipment and receivables information; contact creditors as requested by secured creditors' counsel; calls with counsel and B. Warga re: potential sales process; former landlord discussions.
10/16/2020	Warga, Brent	2.1	1,102.50	Calls with D. Jackson re: file matters; call with S. Gabor and S. Semler re: offer from M. Rehal.
10/16/2020	Lodin, Khalid	2.0	550.00	Imaging drives and analysis.
10/19/2020	Fritz, John	2.0	850.00	Meeting with interested party and counsel re: offer to purchase assets of debtor Companies.
10/19/2020	Warga, Brent	3.2	1,680.00	Meeting at Lavish with N. Boudreau, D. Jackson, and M. Rehal re: receivership proceedings; review and cross referencing of equipment (Lavish list, PPSA list, Insurance list).
10/19/2020	Lodin, Khalid	2.0	550.00	Imaging drives and analysis.
10/20/2020	Dew, Todd	0.5	137.50	Mail Re-direction.
10/20/2020	Fritz, John	1.8	765.00	Updating equipment list; direction to T. Dew re: lessor correspondence; correspondence with primary secured creditor's counsel re: receivables accounts; calls and correspondence re: receivable accounts.
10/20/2020	Warga, Brent	1.6	840.00	Cross referencing insured vehicles to PPSA list; updates to master equipment list; discussion with J. Fritz re: file matters.
10/20/2020	Lodin, Khalid	4.0	1,100.00	Imaging drives and analysis.
10/21/2020	Dew, Todd	0.5	137.50	Equipment listing review.
10/21/2020	Casey, Brian	1.0	425.00	Data extract; data searching; data delivery; virtual build of server.
10/21/2020	Fritz, John	1.5	637.50	Correspondence with counsel to the principal of the debtor companies re: provision of information; correspondence with the Receiver's counsel and counsel to third-parties re: accounts receivable; correspondence with forensic group re: data access.
10/21/2020	Warga, Brent	2.8	1,470.00	Call with S. Selmer re: MPNP licenses and file update; various e-mail correspondence to/from M. Rehal and S. Singh re: access to information/assets; e-mail correspondence with forensic team and review of deleted files; call/e-mail correspondence with MPNP.
10/22/2020	Darman, Nurdeen	3.0	675.00	Review of four images; QuickBooks extractions.
10/22/2020	Dew, Todd	1.0	275.00	Email secured creditors re: secured equipment.
10/22/2020	Fritz, John	1.6	680.00	Correspondence with the Receiver's forensic group re: data access; correspondence with counsel to the Debtors re: provision of information; interested party calls; accounts receivable enquiries and direction.
10/22/2020	Casey, Brian	2.0	850.00	Data extract; data searching; data delivery; the virtual build of the server.
10/22/2020	Warga, Brent	1.1	577.50	Review of various e-mail correspondence; discussion of file matters with J. Fritz.
10/23/2020	Dew, Todd	1.0	275.00	Email secured creditors re: secured equipment; discussions with Deloitte staff re QuickBooks access.
10/23/2020	Fritz, John	1.7	722.50	Call with the Receiver's counsel; correspondence with the Receiver's forensic group re: data access; correspondence with counsel to the Debtors re: provision of information; correspondence with MPI re: Companies' registered vehicle listing.
10/23/2020	Casey, Brian	2.0	850.00	Data extract; data searching; data delivery; the virtual build of the server.
10/23/2020	Warga, Brent	1.2	630.00	Call with Employment & Social Development Canada (ESDC) re: LIMA process; call with D. Jackson re: file matters; review of various e-mail correspondence re: equipment.
10/24/2020	Lodin, Khalid	1.0	275.00	Data analysis.
10/26/2020	Dew, Todd	1.0	275.00	Email to secured parties re: equipment locations.
10/26/2020	Fritz, John	1.1	467.50	Correspondence with Receiver's counsel re: Receivership Order remedies re: document provision; review of accounting records; correspondence to Debtor's counsel re: provision of information; forensic group correspondence re: data access; MPI correspondence.
10/26/2020	Casey, Brian	0.5	212.50	Project management; data/search requests.

**KINGS CARGO EXPRESS LTD. AND CANADA CARGO LINES LTD.
RECEIVERSHIP TIME SUMMARY
INVOICE NO: 8001451593**

Date	Name	Hours	Total	Description
10/26/2020	Warga, Brent	2.3	1,207.50	Review of QuickBooks data; call with S. Gabor and D. Jackson re: file matters; call with Avaal Express re: software access; e-mail correspondence to/from M. Rehal; updates to equipment list.
10/27/2020	Dew, Todd	1.5	412.50	Email to secured parties re: equipment locations.
10/27/2020	Fritz, John	2.9	1,232.50	Correspondence to principal's counsel; accounts receivable matters re: account enquiries; review of material provided by principal; correspondence to the principal and its counsel re: deficiencies in information provided.
10/27/2020	Casey, Brian	0.5	212.50	Project management; data/search requests.
10/27/2020	Warga, Brent	1.0	525.00	Review of materials provided by S. Singh; review of e-mail correspondence to S. Singh.
10/28/2020	Fritz, John	2.6	1,105.00	Correspondence with MPI re: equipment disclosure; review and comparison of MPI information with inventory and PPSA information; correspondence with Debtors' principal re: disclosure requirements and deficiencies therein.
10/28/2020	Warga, Brent	1.5	787.50	Review of e-mail correspondence to/from S. Singh; call with D. Jackson; review of MPI equipment list; e-mail correspondence with TD; e-mail correspondence with lab re: hard drives and Avaal access.
10/28/2020	Lodin, Khalid	1.0	275.00	Data analysis with Receiver.
10/29/2020	Fritz, John	3.6	1,530.00	Review of Debtor Companies principal's documentation provided and correspondence; draft response to principal re: inaccuracies and deficiencies in information provided; compilation of equipment deficiencies for principal; a/r enquiries; MPI correspondence.
10/29/2020	Warga, Brent	1.0	525.00	Discussions with J. Fritz re: equipment; review of various e-mail correspondence; review of information provided by S. Singh; call with lab re: Avaal access.
10/30/2020	Fritz, John	0.7	297.50	Correspondence with MPI and principal of the Debtors re: equipment and required disclosures; calls to parties in receipt of Dentons correspondence re: outstanding receivables.
10/30/2020	Lodin, Khalid	2.0	550.00	Recover and mount drive.
10/30/2020	Warga, Brent	2.1	1,102.50	Site inspection on a suggestion from Triple O Transport (landlord) in an attempt to identify missing assets; review of e-mail correspondence to/from S. Singh; internet search (Facebook) in search allegation that S. Singh has started a new entity in Winnipeg
Total		135.9	\$ 56,390.00	



Invoice 8001557782

Deloitte Restructuring Inc.

360 Main St
Suite 2300
Winnipeg MB R3C 3Z3

ATTN: Scott Semler
The Toronto-Dominion Bank
10th Floor, 421 - 7th Avenue SW
Calgary AB T2P 4K9
Canada

Tel: (204) 942-0051
Fax: (204) 947-9390
www.deloitte.ca

Date: January 15, 2021
Client No.: 1139799
WBS#: TDB00485
Engagement Partner: Brent Warga
GST Registration: 122893605RT0001

For professional services rendered

Fees

In accordance with the Receivership Order dated October 5, 2020.
Time incurred for the period November 2, 2020 to January 13, 2021.

B. Warga - Partner (53.0 hrs): 27,825.00
J. Fritz - Senior Manager (41.9 hrs): 17,807.50
T. Dew - Senior Consultant (20.6 hrs): 5,665.00
A. Keene - Technician (0.2 hrs): 20.00
Total (115.70 hrs): 51,317.50

GST applicable 51,317.50

Expense

Personal Property Registry Searches

GST applicable 712.76

Sales Tax

GST at 5.00 % 2,601.51

Total Amount Due (CAD) 54,631.77

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.

**KINGS CARGO EXPRESS LTD. AND CANADA CARGO LINES LTD.
RECEIVERSHIP TIME SUMMARY
INVOICE NO: 8001557782**

Date	Name	Hours	Total	Description
11/2/2020	Fritz, John	3.3	1,402.50	MPI correspondence re: equipment questions; draft correspondence with principal re: information deficiencies; compilation of A/R information and direction to T. Dew; review of information accessed by forensic accounting group.
11/2/2020	Warga, Brent	2.8	1,470.00	Call with D. Jackson re: file matters and potential offer; e-mail correspondence with S. Singh; review of Aavaal data; call with forensic team; review of Truckmate site and request for access; call with J. Fritz re: A/R and equipment listing.
11/3/2020	Dew, Todd	5.0	1,375.00	Compilation of data for A/R letters; drafting of AR collection letters; provision of wire information for incoming wire.
11/3/2020	Fritz, John	2.9	1,232.50	Finalize and distribute correspondence to principal and counsel re: failure to address information requests and identification of deficiencies; review and finalization of A/R collection letters for distribution.
11/3/2020	Warga, Brent	1.8	945.00	Call with D. Jackson re: discussions with N. Boudreau; review of equipment listings and e-mail correspondence to S. Singh; review of A/R collection notices.
11/4/2020	Fritz, John	4.2	1,785.00	Review of principal's counsel's correspondence; correspondence to principal's counsel re: information deficiencies; correspondence with MPI re: equipment and insurance matters; compilation of current equipment listing for interested parties; PPSR searches.
11/4/2020	Warga, Brent	2.2	1,155.00	Call with D. Jackson; review of various e-mail correspondence to/from S. Singh and legal counsel; various calls and correspondence with Truckmate provider.
11/5/2020	Dew, Todd	0.8	220.00	Contact financial institutions re bank accounts; telephone call to TD re: new bank account.
11/5/2020	Fritz, John	0.5	212.50	Correspondence with Triple O Transport and former principal re: interested party site visit; arrangement for asset delivery.
11/5/2020	Warga, Brent	0.8	420.00	Review of various e-mail correspondence; call with J. Fritz re: equipment inspection; call with R. Stewart (Truckmate).
11/6/2020	Kcene, Ashley	0.2	20.00	Website updates.
11/6/2020	Dew, Todd	0.8	220.00	Complete TD account form; processing of payables.
11/6/2020	Fritz, John	2.6	1,105.00	Compilation of information request document as requested by counsel to the principal; correspondence with counsel to the principal and counsel to the Receiver re: unsatisfied information requests from the principal of the Debtor Companies; call with MPI.
11/6/2020	Warga, Brent	1.1	577.50	Drafting of First Report; review of various e-mail correspondence; review of outstanding request listing.
11/9/2020	Fritz, John	2.9	1,232.50	Correspondence with Auctioneer re: opinion of value and coordination of site visits; review of offer and supporting documentation from Offeror; review of PPSA searches re: identification of extant priorities for equipment offer; information request to MPI.
11/9/2020	Warga, Brent	1.8	945.00	Calls with D. Jackson re: file matters; e-mail update to TD.
11/10/2020	Fritz, John	1.9	807.50	Correspondence with principal of Lavish Transport Ltd. re: equipment locations; discussions with Auctioneer re: appraisal; correspondence with counsel to principal of the Debtors re: outstanding information and equipment locations.
11/10/2020	Warga, Brent	2.3	1,207.50	Call with Trimble legal counsel; various e-mail correspondence with Trimble re: data access and follow up questions; review of e-mail correspondence to M. Rehal; discussion of file matters with J. Fritz; e-mail with CWB re: accounts and leased equipment.
11/11/2020	Warga, Brent	0.5	262.50	Review of e-mail correspondence to/from M. Rehal.
11/12/2020	Fritz, John	2.1	892.50	Compilation of equipment information; correspondence with offeror; call with primary secured creditor and counsel; correspondence with MPI; lessor and secondary secured creditor correspondence and calls.
11/12/2020	Warga, Brent	2.4	1,260.00	Call with TD and legal counsel; updates to equipment schedule re: valuation of equipment.
11/13/2020	Fritz, John	0.3	127.50	Call and correspondence with MPI re: equipment ownership.
11/13/2020	Warga, Brent	3.2	1,680.00	Drafting of First Report.; review of various e-mail correspondence.
11/15/2020	Warga, Brent	1.5	787.50	Drafting of First and Confidential Reports.
11/16/2020	Dew, Todd	1.5	412.50	Emails and phone calls to RBC and CIBC re: bank accounts; create and fax statutory forms to CRA; scan vehicle registrations.
11/16/2020	Fritz, John	1.3	552.50	Confirmation of lease registration status; equipment offer review and compilation of supporting documents; draft correspondence to counsel to the principal re: information requests and primary secured creditor re: equipment offer.
11/16/2020	Warga, Brent	4.3	2,257.50	Discussions of file matters with J. Fritz; preparation of vehicle schedule for TD; updates to Confidential Report.
11/17/2020	Fritz, John	3.2	1,360.00	Correspondence with primary secured creditor, counsel to the offeror, and Receiver's counsel re: offer to purchase; correspondence with debtors' principal re: information requests and equipment locations; secondary secured creditor correspondence.
11/17/2020	Warga, Brent	2.1	1,102.50	Review of various e-mail correspondence to/from TD, M. Rehal, and N. Boudreau re: asset sale; review e-mail correspondence to/from S. Singh re: provisions of information.
11/18/2020	Dew, Todd	1.5	412.50	Emails and phone calls to CIBC and RBC; draft letter to CIBC re: transfer of funds to the Receiver; review bank account history from CIBC.
11/18/2020	Fritz, John	1.2	510.00	APA review and suggested edits; appraiser correspondence; secured creditor correspondence; MPI call and correspondence.
11/18/2020	Warga, Brent	1.7	892.50	Review and edits to draft APA; updates to equipment schedule; review of deposit details provided by TD.
11/19/2020	Fritz, John	0.8	340.00	Equipment sale matters; secured creditor's counsel information request and correspondence.
11/19/2020	Warga, Brent	1.6	840.00	Call with D. Jackson re: draft APA; review of various e-mail correspondence from D. Jackson and N. Boudreau re: draft APA; review various e-mail correspondence re: file matters.
11/20/2020	Fritz, John	2.3	977.50	Correspondence with counsel and principal of Debtor Companies re: outstanding information requests; pending sale matters; equipment secured creditors correspondence.
11/20/2020	Warga, Brent	1.3	682.50	E-mail correspondence with D. Jackson re: file matters; call with TD Bank.
11/23/2020	Fritz, John	0.2	85.00	Interested party correspondence.
11/23/2020	Warga, Brent	0.4	210.00	E-mail correspondence with D. Jackson re: offer.
11/24/2020	Warga, Brent	1.4	735.00	Call with S. Gabor re: asset sale; e-mail correspondence with Trimble re: data access.
11/25/2020	Dew, Todd	1.5	412.50	Trust accounting; processing of payables and registration fees.
11/25/2020	Fritz, John	2.3	977.50	Lessor correspondence re: returned/repossessed vehicles; missing equipment matters; correspondence to principal's counsel re: outstanding information requests.
11/25/2020	Warga, Brent	1.2	630.00	Review of various e-mail correspondence; review of equipment details.
11/26/2020	Fritz, John	2.6	1,105.00	Equipment logistics matters; correspondence with principal's counsel re: outstanding information requests; compilation of historical banking information.
11/26/2020	Warga, Brent	1.1	577.50	Call with D. Jackson re: equipment sale; e-mail correspondence with M. Rehal; discussions of file matters with J. Fritz.

**KINGS CARGO EXPRESS LTD. AND CANADA CARGO LINES LTD.
RECEIVERSHIP TIME SUMMARY
INVOICE NO: 8001557782**

Date	Name	Hours	Total	Description
11/27/2020	Dew, Todd	0.5	137.50	Telephone calls and email correspondence re: secured equipment.
11/27/2020	Fritz, John	0.4	170.00	Correspondence with primary secured creditor re: records provision.
11/27/2020	Warga, Brent	0.5	262.50	E-mail correspondence with M. Rehal re: equipment onsite.
11/30/2020	Dew, Todd	2.0	550.00	Review accounts receivable; telephone calls for A/R collections; review Maple Leaf payments on invoices; release letters to Ford Canada and Honda Canada.
11/30/2020	Fritz, John	2.0	850.00	Lessor correspondence re: security registrations; review of offer, correspondence with B. Warga re: offer; call and correspondence with Auctioneer re: appraisal and equipment matters.
11/30/2020	Warga, Brent	1.4	735.00	Review of e-mail correspondence from N. Boudreau; calls with S. Gabor; call with D. Jackson; call with J. Fritz.
12/1/2020	Dew, Todd	1.0	275.00	Review Maple Leaf payments on invoices; release letters to Ford Canada and Honda Canada.
12/1/2020	Warga, Brent	0.3	157.50	Call with D. Jackson re: offer.
12/3/2020	Dew, Todd	1.5	412.50	Calls with lessors re: equipment.
12/3/2020	Warga, Brent	0.6	315.00	Review of e-mail correspondence re: offer; call with D. Jackson re: offer.
12/4/2020	Dew, Todd	1.0	275.00	Trust accounting; calls with lessors.
12/4/2020	Warga, Brent	0.2	105.00	Review of e-mail correspondence from D. Jackson re: offer.
12/5/2020	Fritz, John	2.7	1,147.50	Correspondence to principal's counsel re: outstanding information; A/R matters; review of additional demand letters and direction to T. Dew.
12/5/2020	Warga, Brent	0.3	157.50	Review of various e-mail correspondence to/from S. Singh and J. Fritz.
12/7/2020	Dew, Todd	1.0	275.00	Drafting of A/R collection letters (second notices).
12/8/2020	Warga, Brent	0.7	367.50	Calls with D. Jackson re: offer.
12/9/2020	Dew, Todd	0.4	110.00	Trust accounting.
12/9/2020	Warga, Brent	0.3	157.50	E-mail correspondence with S. Gabor and D. Jackson.
12/10/2020	Warga, Brent	0.4	210.00	Review and of e-mail correspondence to/from with D. Jackson re: offer.
12/11/2020	Dew, Todd	0.4	110.00	Processing of payables.
12/11/2020	Warga, Brent	0.5	262.50	Discussion with D. Jackson re: offer; review of various e-mail correspondence.
12/12/2020	Warga, Brent	0.4	210.00	Review and edits to APA; e-mail correspondence to D. Jackson and T. Kurbis.
12/16/2020	Warga, Brent	0.2	105.00	Review and responding to e-mail correspondence from D. Jackson.
12/17/2020	Warga, Brent	0.9	472.50	Calls with D. Jackson re: offer, court hearing, and file matters.
12/23/2020	Warga, Brent	0.6	315.00	Review of e-mail correspondence from N. Boudreau; e-mail correspondence to D. Jackson re: same.
12/30/2020	Fritz, John	0.1	42.50	Returned call to Bank's counsel re: A/R demands.
12/30/2020	Warga, Brent	0.2	105.00	Call and e-mail correspondence with Ford Credit.
1/4/2021	Dew, Todd	0.4	110.00	Processing of payables.
1/6/2021	Dew, Todd	0.5	137.50	Emails to CIBC re: account history; update A/R collections.
1/7/2021	Dew, Todd	0.2	55.00	Funds transfer from CIBC.
1/7/2021	Warga, Brent	0.5	262.50	Call with D. Jackson re: pending sale; review of various e-mail correspondence re: same.
1/8/2021	Dew, Todd	0.2	55.00	Trust accounting.
1/11/2021	Dew, Todd	0.4	110.00	A/R updates; e-mails from B. Warga re: reporting and AR collections.
1/11/2021	Fritz, John	1.0	425.00	Receivables and potential pending sales items; correspondence with counsel re: same.
1/11/2021	Warga, Brent	3.1	1,627.50	Review of various e-mail correspondence; call with N. Boudreau re: deposit; call with D. Jackson re: deposit; review of APA; drafting of First Report.
1/12/2021	Fritz, John	1.1	467.50	APA review and review of secured creditor's interests; A/R matters.
1/12/2021	Warga, Brent	3.6	1,890.00	Updates to First Report and Confidential Supplement; review of various e-mail correspondence from D. Jackson and T. Kurbis; review of APA amendments; discussion with J. Fritz re: equipment list and file matters; call with T. Dew re: A/R.
1/13/2021	Warga, Brent	2.8	1,470.00	Call with D. Jackson re: hearing, file matters, and Court reporting; call with D. Jackson and S. Gabor re: hearing and discharge matters; updates to First Report and Confidential Report.
Total		115.7	\$ 51,317.50	

Appendix D - Fees and Disbursements of the Receiver's Legal Counsel

KINGS CARGO EXPRESS LTD. AND CANADA CARGO LINES LTD.

**SUMMARY OF LEGAL FEES AND DISBURSEMENTS
TAYLOR MCCAFFREY LLP**

Date	Invoice #		Fees	Disbursements	GST	PST	Total	Hours
3-Nov-20	627317	\$	15,792	\$ 471	\$ 811	\$ 1,105	\$ 18,180	38.7
10-Dec-20	629887		10,741	610	568	752	12,671	25.9
12-Jan-21	631664		5,410	1	271	379	6,059	11.0
Total		\$	31,943	\$ 1,082	\$ 1,649	\$ 2,236	\$ 36,910	75.6

TAYLOR McCAFFREY

L L P

2200-201 Portage Avenue
Winnipeg MB Canada, R3B 3L3
Telephone 1-204-949-1312
Fax 1-204-957-0945
Website: www.tmlawyers.com

Deloitte Restructuring Inc.
2300-360 Main Street
Winnipeg, MB
R3C 3Z3

DATE: NOVEMBER 3, 2020

CLIENT/MATTER NO.: 32608 - 6

RESP. LAWYER: DJACKSON

INVOICE NO.: 627317

GST NO.: 121712376

Attention: Brent Warga

Re: Kings Cargo Express Ltd./Canada Cargo Lines Ltd./Kings Cargo Group Ltd./DTS Trucking Ltd./Easy Fr8 Lines Ltd./Sharanjit Singh/Manjinder Singh Rehal/Parvinder Singh Braich/Lavish Transport Ltd.

FEES (GST & PST)

24/09/20	JACKSON	Correspondence Telephone from Brent Warga	0.10	510.00	51.00
24/09/20	JACKSON	Reviewing draft receivership order	0.30	510.00	153.00
24/09/20	JACKSON	Telephone to Brent Warga	0.40	510.00	204.00
26/09/20	JACKSON	Telephone from Sam Gabor	0.20	510.00	102.00
29/09/20	JACKSON	Correspondence from Sam Gabor	0.10	510.00	51.00
01/10/20	JACKSON	Telephone to Brent Warga	0.30	510.00	153.00
02/10/20	JACKSON	Telephone from Sam Gabor	0.20	510.00	102.00
05/10/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
05/10/20	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00
05/10/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
05/10/20	JACKSON	Attendance at Court - teleconference	1.50	510.00	765.00
05/10/20	JACKSON	Draft instructions to Charles Roy	0.10	510.00	51.00
05/10/20	JACKSON	Reviewing court pleadings	1.20	510.00	612.00
05/10/20	JACKSON	Correspondence from Sam Gabor	0.10	510.00	51.00
05/10/20	JACKSON	Telephone from Brent Warga	0.20	510.00	102.00
05/10/20	JACKSON	Correspondence Review from Sam Gabor	0.10	510.00	51.00
06/10/20	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00
06/10/20	JACKSON	Reviewing Court Order	0.20	510.00	102.00
06/10/20	JACKSON	Correspondence to Brent Warga	0.20	510.00	102.00
06/10/20	JACKSON	Reviewing LTO searches	0.10	510.00	51.00
06/10/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
06/10/20	JACKSON	Telephone from Brent Warga & John Fritz	0.60	510.00	306.00
06/10/20	JACKSON	Review & respond to Norm Boudreau	0.10	510.00	51.00
06/10/20	JACKSON	Correspondence from Sam Gabor	0.10	510.00	51.00
06/10/20	JACKSON	Telephone to Brent Warga	0.10	510.00	51.00
06/10/20	JACKSON	Attendance at conference call with S. Gabor, Scott Semier, Joe Seidel, Taumja Byers, Brent Warga & John Fritz	0.70	510.00	357.00
06/10/20	JACKSON	Correspondence from Norm Boudreau	0.20	510.00	102.00
06/10/20	JACKSON	Correspondence to Norm Boudreau	0.10	510.00	51.00
06/10/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00

TERMS: DUE UPON RECEIPT: Interest on accounts over 30 days will be charged at the interest rate prescribed from time to time by section 161 of the Income Tax Act (Canada).

E & O.E.

06/10/20	JACKSON	Reviewing Bank Act searches	0.10	510.00	51.00
06/10/20	JACKSON	Reviewing LTO, Companies & PPSA searches	0.20	510.00	102.00
06/10/20	JACKSON	Telephone from Sam Gabor	0.20	510.00	102.00
06/10/20	JACKSON	Correspondence to Sam Gabor	0.10	510.00	51.00
06/10/20	JACKSON	Telephone to Norm Boudreau	0.20	510.00	102.00
06/10/20	JACKSON	Review & respond to Brent Warga	0.10	510.00	51.00
06/10/20	CROY	Reviewing file	0.40	220.00	88.00
07/10/20	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00
07/10/20	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00
07/10/20	JACKSON	Telephone from Brent Warga & John Fritz	0.30	510.00	153.00
07/10/20	JACKSON	Correspondence from Sam Gabor	0.10	510.00	51.00
07/10/20	JACKSON	Correspondence to Sam Gabor	0.10	510.00	51.00
07/10/20	JACKSON	Draft response to Norm Boudreau	0.30	510.00	153.00
07/10/20	JACKSON	Revise and update Service List	0.10	510.00	51.00
07/10/20	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00
07/10/20	JACKSON	Telephone to Kelsey McIntyre (vm)	0.10	510.00	51.00
07/10/20	JACKSON	Correspondence to Kelsey McIntyre	0.10	510.00	51.00
07/10/20	JACKSON	Telephone from Brent Warga	0.10	510.00	51.00
07/10/20	JACKSON	Correspondence to Kelsey McIntyre	0.20	510.00	102.00
07/10/20	CROY	Reviewing file, review emails re: communication with Receiver and attendance at property	1.70	220.00	374.00
08/10/20	JACKSON	Correspondence from Michael Weinstein	0.10	510.00	51.00
08/10/20	JACKSON	Correspondence from Kelsey McIntyre	0.10	510.00	51.00
08/10/20	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00
08/10/20	JACKSON	Correspondence to Norm Boudreau	0.10	510.00	51.00
08/10/20	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00
08/10/20	JACKSON	Prepare PPSA registration of Receiver appointment	0.10	510.00	51.00
08/10/20	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00
08/10/20	JACKSON	Revise draft letter	0.10	510.00	51.00
08/10/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
08/10/20	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00
08/10/20	JACKSON	Draft instructions to Corporate Records re: companies branch notice for receiver	0.10	510.00	51.00
08/10/20	JACKSON	Telephone from Kelsey McIntyre	0.10	510.00	51.00
08/10/20	JACKSON	Telephone from Brent Warga	0.10	510.00	51.00
08/10/20	JACKSON	Correspondence to Norm Boudreau	0.30	510.00	153.00
08/10/20	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00
08/10/20	CROY	Review e-mails	0.20	220.00	44.00
09/10/20	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00
09/10/20	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00
09/10/20	JACKSON	Correspondence to Norm Boudreau	0.10	510.00	51.00
09/10/20	JACKSON	Reviewing Form 87 Notice & Statement	0.10	510.00	51.00
09/10/20	JACKSON	Correspondence from Sam Gabor	0.10	510.00	51.00
09/10/20	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00
09/10/20	CROY	Review e-mails	0.20	220.00	44.00

TERMS: DUE UPON RECEIPT: Interest on accounts over 30 days will be charged at the interest rate prescribed from time to time by section 161 of the Income Tax Act (Canada).

13/10/20	BALFOUR	E-Mails from and to David, prepare Notice of Appointment of Receiver for each of Kings Cargo Express Ltd. and Canada Cargo Lines Ltd., e-mails to and from David and Brent Warga, add information to forms and email to David for signing as Solicitor; received signed documents, email forms to Companies Office for filing;	1.20	200.00	240.00
13/10/20	BALFOUR	E-Mail from Laura Leigh, review attached File Summaries, prepare Request for Copies of Documents to obtain a copy of Change of Shareholders filed October 26, 2017 for each of Kings Cargo and Canada Cargo; email Requests to Companies Office;	0.40	200.00	80.00
13/10/20	JACKSON	Telephone from Norm Boudreau	0.20	510.00	102.00
13/10/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
13/10/20	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00
13/10/20	JACKSON	Telephone to Brent Warga	0.30	510.00	153.00
13/10/20	JACKSON	Telephone to Norm Boudreau	0.10	510.00	51.00
14/10/20	GARFINKE	Meeting with C. Roy to discuss research and review of emails and file	0.20	125.00	25.00
14/10/20	JACKSON	Reviewing and respond to Draft response to Daman Kaur	0.20	510.00	102.00
14/10/20	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00
14/10/20	JACKSON	Draft instructions to Charles Roy	0.10	510.00	51.00
14/10/20	JACKSON	Attendance at conference call with Sam Gabor, Brent Warga & John Fritz	0.60	510.00	306.00
14/10/20	JACKSON	Correspondence from Manjinder Rehal to Receiver	0.10	510.00	51.00
14/10/20	JACKSON	Correspondence from Brent Warga to Manjinder Rehal	0.10	510.00	51.00
14/10/20	JACKSON	Correspondence from Norman Boudreau	0.10	510.00	51.00
16/10/20	GARFINKE	Memorandum and research on receivership issues	1.20	125.00	150.00
16/10/20	JACKSON	Reviewing Lavish Offer	0.10	510.00	51.00
16/10/20	JACKSON	Telephone from Brent Warga & John Fritz	0.50	510.00	255.00
16/10/20	JACKSON	Attendance at conference call with TD Bank reps, S Gabor, B Warga & J Fritz	0.80	510.00	408.00
16/10/20	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00
16/10/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
16/10/20	JACKSON	Telephone from Brent Warga & John Fritz	0.20	510.00	102.00
16/10/20	JACKSON	Telephone to Norm Boudreau	0.10	510.00	51.00
16/10/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
19/10/20	GARFINKE	Research on breaching receivership agreement and on contempt	1.40	125.00	175.00
19/10/20	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00

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19/10/20	JACKSON	Telephone to Brent Warga	0.20	510.00	102.00
19/10/20	JACKSON	Prepare for meeting with Kings Cargo Group & counsel	0.20	510.00	102.00
19/10/20	JACKSON	Attendance at meeting at Kings Cargo Group with Norm Boudreau, John Isfeld, Manjinder Rahal, Brent Warga & John Fritz	2.40	510.00	1,224.00
19/10/20	JACKSON	Correspondence from Sam Gabor	0.10	510.00	51.00
19/10/20	JACKSON	Correspondence to Sam Gabor	0.10	510.00	51.00
19/10/20	JACKSON	Correspondence from John Fritz	0.10	510.00	51.00
19/10/20	JACKSON	Correspondence to John Fritz	0.10	510.00	51.00
19/10/20	JACKSON	Review & respond to Sam Gabor	0.10	510.00	51.00
19/10/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
20/10/20	JACKSON	Correspondence from John Fritz	0.10	510.00	51.00
20/10/20	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00
20/10/20	JACKSON	Telephone from Sam Gabor	0.40	510.00	204.00
20/10/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
21/10/20	GARFINKE	Research and draft memo on breach of receivership order	2.00	125.00	250.00
21/10/20	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00
21/10/20	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00
21/10/20	JACKSON	Correspondence from John Fritz	0.10	510.00	51.00
21/10/20	JACKSON	Correspondence to John Fritz	0.10	510.00	51.00
21/10/20	CROY	Review emails with client	0.10	220.00	22.00
22/10/20	GARFINKE	Memorandum summarizing cases for C. Roy	1.20	125.00	150.00
22/10/20	JACKSON	Correspondence with John Fritz	0.10	510.00	51.00
22/10/20	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00
22/10/20	JACKSON	Attendance at firm wide inquiry re:MNP & LMIA	0.10	510.00	51.00
22/10/20	JACKSON	Correspondence from c3 Crescent liquidators	0.10	510.00	51.00
22/10/20	JACKSON	Telephone from Neil Kaplan - lawyer for Kings Truck & Trailer repair	0.20	510.00	102.00
22/10/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
22/10/20	JACKSON	Correspondence from Kelsey McIntyre	0.10	510.00	51.00
23/10/20	GARFINKE	Memorandum discussing summary of cases regarding receivership	1.00	125.00	125.00
23/10/20	JACKSON	Telephone from Ken Zaifman	0.50	510.00	255.00
23/10/20	JACKSON	Reviewing Garfinkel research memo re: receiver remedies	0.10	510.00	51.00
23/10/20	JACKSON	Telephone from Norm Boudreau	0.10	510.00	51.00
23/10/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
23/10/20	JACKSON	Review & respond to Sam Gabor	0.10	510.00	51.00
23/10/20	JACKSON	Correspondence from John Fritz	0.10	510.00	51.00
23/10/20	JACKSON	Correspondence to Norm Boudreau	0.10	510.00	51.00
23/10/20	JACKSON	Correspondence to Brent Warga	0.20	510.00	102.00
23/10/20	JACKSON	Telephone call with Brent Warga & John Fritz	0.10	510.00	51.00
26/10/20	JACKSON	Reviewing companies search of King's Truck & Trailer Repair	0.10	510.00	51.00
26/10/20	JACKSON	Correspondence from Sam Gabor	0.10	510.00	51.00
26/10/20	JACKSON	Review & respond to Brent Warga	0.10	510.00	51.00
26/10/20	JACKSON	Attendance at conference call with Sam Gabor, Brent Warga & John	0.70	510.00	357.00

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		Fritz			
26/10/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
27/10/20	JACKSON	Correspondence from Norm Krysko at Buhler	0.10	510.00	51.00
27/10/20	JACKSON	Reviewing proposed letter to Singh's counsel and revisions thereto	0.20	510.00	102.00
27/10/20	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00
27/10/20	JACKSON	Telephone from John Fritz	0.20	510.00	102.00
27/10/20	JACKSON	Correspondence to Norm Krysko at Buhler	0.10	510.00	51.00
27/10/20	JACKSON	Telephone from Norm Boudreau	0.10	510.00	51.00
27/10/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
28/10/20	JACKSON	Reviewing John Fritz email to Sharanjit Singh	0.20	510.00	102.00
28/10/20	JACKSON	Correspondence from Sharanjit Singh	0.10	510.00	51.00
28/10/20	JACKSON	Telephone from Ken Zaifman	0.10	510.00	51.00
28/10/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
28/10/20	JACKSON	Correspondence from John Fritz	0.10	510.00	51.00
28/10/20	JACKSON	Correspondence from Sharanjit Singh	0.10	510.00	51.00
28/10/20	JACKSON	Telephone to Brent Warga	0.30	510.00	153.00
28/10/20	JACKSON	Telephone to Sam Gabor	0.10	510.00	51.00
28/10/20	JACKSON	Correspondence to Sam Gabor	0.10	510.00	51.00
29/10/20	JACKSON	Correspondence from Sharanjit Singh	0.10	510.00	51.00
29/10/20	JACKSON	Correspondence to Sam Gabor	0.10	510.00	51.00
29/10/20	JACKSON	Correspondence from Sharanjit Singh	0.10	510.00	51.00
30/10/20	JACKSON	Review disclosure communications between John Fritz and Sharanjit Singh	0.20	510.00	102.00
30/10/20	JACKSON	Correspondence to Sam Gabor	0.10	510.00	51.00
30/10/20	JACKSON	Review & respond to Sam Gabor	0.10	510.00	51.00

TOTAL FEES (GST & PST) 15,792.00

D.R.M. Jackson 27.5 hrs. x \$510.00/hr. = \$14,025.00
 C. Roy 2.6 hrs. x \$220.00/hr. = \$572.00
 S. Garfinkel (student) 7 hrs. x \$125.00/hr. = \$875.00
 M. Balfour (paralegal) 1.6 hrs. x \$200.00/hr. = \$320.00

TOTAL FEES \$15,792.00
 Plus 5 % GST 789.60
 Plus 7 % PST 1,105.44

ALLOCATED EXPENSES & DISBURSEMENTS (GST Only)

Personal Property Search	60.00
Companies Office File Summary	45.00
Bank of Canada Search	48.00
Reproduction Charges	4.65
Documents/Titles Online	26.00
Government/Court Search, Copy	14.00
Electronic Research Access Fee	192.50
File Administration Charge	45.00

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DISBURSEMENTS INCURRED AS AGENT(Non-taxable)

Personal Property Registration	36.00	
		\$471.15
Total Expenses & Disbursements		21.76
Plus 5% GST		
BALANCE DUE OUR OFFICE		\$18,179.95

DJAC/lb

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E & O.E

TAYLOR McCAFFREY

L L P

2200-201 Portage Avenue
Winnipeg MB Canada, R3B 3L3
Telephone 1-204-949-1312
Fax 1-204-957-0945
Website: www.tmlawyers.com

Deloitte Restructuring Inc.
2300-360 Main Street
Winnipeg, MB
R3C 3Z3

DATE: DECEMBER 10, 2020

CLIENT/MATTER NO.: 32608 - 6

RESP. LAWYER: DJACKSON

INVOICE NO.: 629887

GST NO.: 121712376

Attention: Brent Warga

Re: Kings Cargo Express Ltd./Canada Cargo Lines Ltd./Kings Cargo Group Ltd./DTS Trucking Ltd./Easy Fr8 Lines Ltd./Sharanjit Singh/Manjinder Singh Rehal/Parvinder Singh Braich/Lavish Transport Ltd.

FEES (GST & PST)

02/11/20	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00
02/11/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
02/11/20	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00
02/11/20	JACKSON	Telephone from Brent Warga	0.30	510.00	153.00
02/11/20	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00
03/11/20	JACKSON	Telephone to Brent Warga	0.20	510.00	102.00
03/11/20	JACKSON	Reviewing John Fritz follow up with Sharanjit Singh	0.10	510.00	51.00
03/11/20	JACKSON	Correspondence to Sam Gabor	0.10	510.00	51.00
03/11/20	JACKSON	Reviewing TD Bank statement of claim against guarantors	0.10	510.00	51.00
04/11/20	JACKSON	Telephone from Norm Boudreau	0.20	510.00	102.00
04/11/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
04/11/20	JACKSON	Reviewing Warga to Singh re: truck mate program	0.10	510.00	51.00
04/11/20	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00
04/11/20	JACKSON	Correspondence from Kelsey McIntyre	0.10	510.00	51.00
04/11/20	JACKSON	Review & respond to John Fritz re: response to Singh's counsel	0.20	510.00	102.00
04/11/20	JACKSON	Correspondence to Sam Gabor	0.10	510.00	51.00
04/11/20	JACKSON	Correspondence from Kelsey McIntyre	0.10	510.00	51.00
04/11/20	JACKSON	Telephone to Kelsey McIntyre	0.20	510.00	102.00
04/11/20	JACKSON	Telephone from Brent Warga & John Fritz	0.60	510.00	306.00
05/11/20	JACKSON	Correspondence from John Fritz	0.10	510.00	51.00
05/11/20	JACKSON	Telephone to Kelsey McIntyre	0.10	510.00	51.00
06/11/20	JACKSON	Correspondence to Kelsey McIntyre	0.20	510.00	102.00
06/11/20	JACKSON	Review & respond to John Fritz re: response to Singh's lawyer	0.10	510.00	51.00
06/11/20	JACKSON	Correspondence to Kelsey McIntyre	0.20	510.00	102.00
06/11/20	JACKSON	Correspondence from Kelsey McIntyre	0.10	510.00	51.00
06/11/20	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00
06/11/20	JACKSON	Telephone from Brent Warga	0.20	510.00	102.00
06/11/20	JACKSON	Telephone to Norm Boudreau	0.10	510.00	51.00
06/11/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
06/11/20	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00
06/11/20	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00
06/11/20	JACKSON	Reviewing Receiver report to TD Bank	0.20	510.00	102.00

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E & O.E.

10/11/20	JACKSON	Correspondence from John Fritz to Kelsey McIntyre	0.10	510.00	51.00
10/11/20	JACKSON	Correspondence from John Fritz to Manjinder Rehal	0.10	510.00	51.00
12/11/20	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00
12/11/20	JACKSON	Correspondence from John Fritz to Norm Boudreau	0.10	510.00	51.00
12/11/20	JACKSON	Attendance at conference call with Sam Gabor, Brent Warga, Scott Selmer, Tanja, Joe Sidle & Brent Warga	0.80	510.00	408.00
13/11/20	JACKSON	Correspondence from John Fritz to Manjinder Rehal	0.10	510.00	51.00
13/11/20	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00
13/11/20	JACKSON	Draft instructions to Justin Larson re: receiver equipment APA	0.20	510.00	102.00
13/11/20	LARSON	Discussion with D Jackson; reviewing documents	0.30	140.00	42.00
16/11/20	KURBIS	Reviewing email/instructions from DJ; consider tasks for completion; review file docs/templates; office conference/memorandum JL	0.30	500.00	150.00
16/11/20	LARSON	Reviewing email from TK	0.10	140.00	14.00
17/11/20	JACKSON	Correspondence from John Fritz	0.10	510.00	51.00
17/11/20	JACKSON	Reviewing Receiver's equipment offer review	0.30	510.00	153.00
17/11/20	JACKSON	Correspondence to John Fritz	0.20	510.00	102.00
17/11/20	JACKSON	Reviewing revised offer overview and J Fritz communication to TD Bank	0.10	510.00	51.00
17/11/20	JACKSON	Telephone from Norm Boudreau	0.10	510.00	51.00
17/11/20	JACKSON	Correspondence from Sam Gabor	0.10	510.00	51.00
17/11/20	JACKSON	Telephone from John Fritz	0.10	510.00	51.00
17/11/20	JACKSON	Correspondence from John Fritz to Norm Boudreau	0.10	510.00	51.00
17/11/20	JACKSON	Correspondence from Saranjit Singh	0.10	510.00	51.00
17/11/20	JACKSON	Draft comments re: draft APA for Tim Kurbis & Justin Larson	0.20	510.00	102.00
17/11/20	KURBIS	Memorandum from DJ	0.10	500.00	50.00
17/11/20	LARSON	Prepare draft receivership APA	4.70	140.00	658.00
18/11/20	JACKSON	Review & address request to be added to the service list	0.10	510.00	51.00
18/11/20	JACKSON	Reviewing draft APA and discuss with Tim Kurbis	0.30	510.00	153.00
18/11/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
18/11/20	KURBIS	Reviewing memoranda from Larson/Jackson; work on Purchase Agreement review/edits; memorandum/office conference DJ	1.50	500.00	750.00
18/11/20	LARSON	Reviewing TK edits to Receivership APA	0.50	140.00	70.00
19/11/20	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00
19/11/20	JACKSON	Reviewing Brent & John's comments	0.30	510.00	153.00
19/11/20	JACKSON	Telephone from Brent Warga	0.20	510.00	102.00
19/11/20	JACKSON	Drafting instructions to Tim Kurbis	0.10	510.00	51.00
19/11/20	JACKSON	Correspondence to Sam Gabor	0.10	510.00	51.00
19/11/20	JACKSON	Telephone from Cheryl Laniuk	0.10	510.00	51.00
19/11/20	JACKSON	Reviewing updated revisions	0.10	510.00	51.00
19/11/20	JACKSON	Telephone from Norm Boudreau	0.20	510.00	102.00
19/11/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
19/11/20	JACKSON	Correspondence from Sam Gabor	0.10	510.00	51.00
19/11/20	JACKSON	Correspondence to Sam Gabor	0.10	510.00	51.00

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19/11/20	JACKSON	Correspondence from Sam Gabor	0.10	510.00	51.00
19/11/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
19/11/20	JACKSON	Correspondence to Norm Boudreau	0.10	510.00	51.00
19/11/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
19/11/20	KURBIS	Reviewing correspondence; emails with Deloitte/DJ/JL; review client feedback; review/revise/proof Agreement	0.60	500.00	300.00
19/11/20	LARSON	Reviewing correspondence and BW edits to APA; revising APA and reviewing correspondence	0.90	140.00	126.00
20/11/20	JACKSON	Reviewing Brent's revisions to APA	0.10	510.00	51.00
20/11/20	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00
20/11/20	JACKSON	Telephone from Norm Boudreau	0.10	510.00	51.00
20/11/20	JACKSON	Telephone from Norm Boudreau	0.10	510.00	51.00
20/11/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
20/11/20	JACKSON	Attendance at conference call with Receiver & TD Bank & Sam Gabor	0.70	510.00	357.00
20/11/20	JACKSON	Review & respond to John Fritz re: Sharanjit follow up	0.20	510.00	102.00
20/11/20	KURBIS	Reviewing correspondence/doc changes from Deloitte	0.10	500.00	50.00
20/11/20	LARSON	Reviewing BW edits & correspondence	0.10	140.00	14.00
23/11/20	JACKSON	Review John Fritz email	0.10	510.00	51.00
23/11/20	JACKSON	Review & respond to Daniel Ravindran	0.10	510.00	51.00
23/11/20	JACKSON	Correspondence from Daniel Ravindran	0.10	510.00	51.00
23/11/20	JACKSON	Review & respond to Brent Warga	0.10	510.00	51.00
23/11/20	JACKSON	Telephone to Norm Boudreau	0.10	510.00	51.00
23/11/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
23/11/20	JACKSON	Telephone from Sam Gabor	0.10	510.00	51.00
26/11/20	JACKSON	Correspondence from John Fritz to Kelsey McIntyre	0.10	510.00	51.00
26/11/20	JACKSON	Review and respond to Brent Warga	0.10	510.00	51.00
26/11/20	JACKSON	Telephone to Norm Boudreau	0.10	510.00	51.00
26/11/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
26/11/20	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00
26/11/20	JACKSON	Telephone from Brent Warga	0.10	510.00	51.00
26/11/20	JACKSON	Correspondence from Kelsey McIntyre	0.10	510.00	51.00
30/11/20	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00
30/11/20	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00
30/11/20	JACKSON	Telephone from Brent Warga	0.20	510.00	102.00
01/12/20	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00
01/12/20	JACKSON	Telephone from Norm Boudreau	0.40	510.00	204.00
01/12/20	JACKSON	Correspondence to Brent Warga	0.20	510.00	102.00
01/12/20	JACKSON	Telephone from Brent Warga	0.20	510.00	102.00
03/12/20	JACKSON	Telephone to Norm Boudreau	0.20	510.00	102.00
03/12/20	JACKSON	Telephone from Sam Gabor	0.20	510.00	102.00
03/12/20	JACKSON	Correspondence from Sam Gabor	0.10	510.00	51.00
03/12/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
03/12/20	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00
03/12/20	JACKSON	Telephone from Brent Warga	0.20	510.00	102.00
04/12/20	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00
04/12/20	JACKSON	Correspondence to Norm Boudreau	0.10	510.00	51.00
07/12/20	JACKSON	Correspondence from John Fritz	0.10	510.00	51.00
08/12/20	JACKSON	Telephone from Norm Boudreau	0.20	510.00	102.00
08/12/20	JACKSON	Telephone from Brent Warga	0.20	510.00	102.00
08/12/20	JACKSON	Telephone to Sam Gabor	0.20	510.00	102.00
08/12/20	JACKSON	Attendance at conference call with Norm	0.50	510.00	255.00

TERMS: DUE UPON RECEIPT: Interest on accounts over 30 days will be charged at the interest rate prescribed from time to time by section 161 of the Income Tax Act (Canada).

		Boudreau, Sam Gabor & John I			
08/12/20	JACKSON	Telephone from Sam Gabor	0.10	510.00	51.00
08/12/20	JACKSON	Telephone to Brent Warga	0.10	510.00	51.00

TOTAL FEES (GST & PST) 10,741.00

D.R.M. Jackson 16.7 hrs. x \$510.00/hr. = \$8,517.00

T. Kurbis 2.6 hrs. x \$500.00/hr. = \$1,300.00

J. Larson 6.6 hrs. x \$140.00/hr. = \$924.00

TOTAL FEES \$10,741.00

Plus 5 % GST 537.05

Plus 7 % PST 751.87

ALLOCATED EXPENSES & DISBURSEMENTS (GST Only)

City of Winnipeg - Electronic Tax Search 154.00

Electronic Research Access Fee 429.28

Documents/Titles Online 26.26

Reproduction Charges 0.75

Total Expenses & Disbursements \$610.29

Plus 5% GST 30.51

BALANCE DUE OUR OFFICE \$12,670.72

DJAC/lb

TAYLOR McCAFFREY

L L P

2200-201 Portage Avenue
Winnipeg MB Canada, R3B 3L3
Telephone 1-204-949-1312
Fax 1-204-957-0945
Website: www.tmlawyers.com

Deloitte Restructuring Inc.
2300-360 Main Street
Winnipeg, MB
R3C 3Z3

DATE: JANUARY 12, 2021
CLIENT/MATTER NO.: 32608 - 6
RESP. LAWYER: DJACKSON
INVOICE NO.: 631644
GST NO.: 121712376

Attention: Brent Warga

Re: Kings Cargo Express Ltd./Canada Cargo Lines Ltd./Kings Cargo Group Ltd./DTS Trucking Ltd./Easy Fr8 Lines Ltd./Sharanjit Singh/Manjinder Singh Rehal/Parvinder Singh Braich/Lavish Transport Ltd.

FEES (GST & PST)

10/12/20	JACKSON	Correspondence from Sam Gabor	0.10	510.00	51.00
10/12/20	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00
10/12/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
10/12/20	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00
10/12/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
11/12/20	JACKSON	Draft instructions to Tim Kurbis	0.10	510.00	51.00
11/12/20	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00
11/12/20	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00
11/12/20	JACKSON	Telephone to Norm Boudreau	0.10	510.00	51.00
11/12/20	JACKSON	Telephone to Brent Warga	0.20	510.00	102.00
11/12/20	JACKSON	Telephone to Tim Kurbis - sale details	0.20	510.00	102.00
11/12/20	JACKSON	Correspondence to Norm Boudreau	0.10	510.00	51.00
11/12/20	JACKSON	Correspondence from Sam Gabor	0.10	510.00	51.00
11/12/20	JACKSON	Correspondence from Sam Gabor	0.10	510.00	51.00
11/12/20	JACKSON	Telephone from Sam Gabor	0.10	510.00	51.00
11/12/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
11/12/20	JACKSON	Review & respond to Tim Kurbis re:APA	0.10	510.00	51.00
11/12/20	KURBIS	Memorandum from/to DJ; call with DJ re deal changes; notes to file; work on Agreement edits and address issues arising; review correspondence with buyer counsel; memorandum to/from DJ; further revisions; correspondence Deloitte	1.20	500.00	600.00
11/12/20	LARSON	Reviewing correspondence	0.20	140.00	28.00
12/12/20	KURBIS	Correspondence from BW; review changes and consider issues arising; correspondence BW to respond/advise; review response; revise/proof final document; correspondence to Buyer counsel	0.60	500.00	300.00
12/12/20	LARSON	Reviewing correspondence re the revised APA	0.10	140.00	14.00
14/12/20	JACKSON	Reviewing Tim Kurbis revision to APA	0.10	510.00	51.00
14/12/20	JACKSON	Correspondence to Brenda Andre	0.10	510.00	51.00
14/12/20	JACKSON	Review communications between Tim Kurbis & Brent Warga	0.10	510.00	51.00

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E & O.E.

14/12/20	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00
14/12/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
14/12/20	JACKSON	Correspondence from John Fritz	0.10	510.00	51.00
14/12/20	JACKSON	Correspondence to Norm Boudreau	0.10	510.00	51.00
16/12/20	JACKSON	Telephone from Sam Gabor	0.10	510.00	51.00
16/12/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
16/12/20	KURBIS	Memorandum from DJ	0.10	500.00	50.00
17/12/20	JACKSON	Reviewing and respond to Brent Warga	0.10	510.00	51.00
17/12/20	JACKSON	Telephone from Cheryl Laniuk at QB	0.10	510.00	51.00
17/12/20	JACKSON	Correspondence to Norm Boudreau	0.10	510.00	51.00
17/12/20	JACKSON	Telephone from Sam Gabor	0.20	510.00	102.00
17/12/20	JACKSON	Telephone to Brent Warga	0.20	510.00	102.00
17/12/20	JACKSON	Telephone from Norm Boudreau	0.20	510.00	102.00
17/12/20	JACKSON	Telephone to Brent Warga (vm)	0.10	510.00	51.00
17/12/20	JACKSON	Telephone from Brent Warga	0.10	510.00	51.00
17/12/20	JACKSON	Telephone from Sam Gabor	0.10	510.00	51.00
17/12/20	JACKSON	Correspondence from Sam Gabor	0.10	510.00	51.00
17/12/20	LARSON	Reviewing correspondence re APA status, and court availability	0.10	140.00	14.00
18/12/20	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00
18/12/20	JACKSON	Correspondence to Norm Boudreau	0.10	510.00	51.00
18/12/20	JACKSON	Correspondence from Sam Gabor	0.10	510.00	51.00
18/12/20	JACKSON	Review & respond to John Fritz re: service list amendments	0.10	510.00	51.00
18/12/20	KURBIS	Correspondence from TD counsel; memorandum from DJ	0.10	500.00	50.00
18/12/20	LARSON	Reviewing correspondence amongst counsel	0.10	140.00	14.00
20/12/20	KURBIS	Reviewing correspondence re sale completion/Court approval	0.10	500.00	50.00
22/12/20	JACKSON	Correspondence from Kelsey McIntyre	0.10	510.00	51.00
23/12/20	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00
23/12/20	JACKSON	Correspondence to Brent Warga	0.10	510.00	51.00
23/12/20	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00
29/12/20	KURBIS	Correspondence from Buyer counsel	0.10	500.00	50.00
30/12/20	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00
07/01/21	JACKSON	Correspondence from Sam Gabor	0.10	510.00	51.00
07/01/21	JACKSON	Telephone to Tim Kurbis	0.10	510.00	51.00
07/01/21	JACKSON	Telephone to Brent Warga	0.10	510.00	51.00
07/01/21	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00
07/01/21	JACKSON	Correspondence from Sam Gabor	0.10	510.00	51.00
07/01/21	KURBIS	Reviewing correspondence from Boudreau/Deloitte; office conference DJ; consider APA/deal changes and respond/advise	0.50	515.00	257.50
08/01/21	KURBIS	Correspondence from Buyer counsel; correspondence from TD counsel	0.10	515.00	51.50
11/01/21	JACKSON	Correspondence from Buhler Trading	0.10	510.00	51.00
11/01/21	JACKSON	Correspondence from Brent Warga	0.10	510.00	51.00
11/01/21	JACKSON	Correspondence from John Fritz	0.10	510.00	51.00
11/01/21	JACKSON	Correspondence to Buhler Trading	0.10	510.00	51.00
11/01/21	JACKSON	Correspondence to Norm Boudreau	0.10	510.00	51.00
11/01/21	JACKSON	Review & respond to Buhler Trading	0.10	510.00	51.00
11/01/21	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00
11/01/21	JACKSON	Correspondence from Lavish Transport	0.10	510.00	51.00
11/01/21	JACKSON	Telephone from Norm Boudreau	0.10	510.00	51.00
11/01/21	JACKSON	Correspondence from Norm Boudreau	0.10	510.00	51.00

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11/01/21	JACKSON	Reviewing Boudreau revisions to APA	0.10	510.00	51.00
11/01/21	JACKSON	Review & respond to Brent Warga	0.10	510.00	51.00
11/01/21	JACKSON	Telephone to Brent Warga	0.10	510.00	51.00
11/01/21	JACKSON	Correspondence to Norm Boudreau	0.10	510.00	51.00
11/01/21	JACKSON	Correspondence to Sam Gabor	0.10	510.00	51.00
11/01/21	KURBIS	Telephone call from N. Boudreau - respond/advise on matters arising; correspondence from NB; correspondence BW/JF; review correspondence/doc from NB; consider and correspondence Deloitte	0.70	515.00	360.50

TOTAL FEES (GST & PST) 5,409.50

TOTAL FEES \$5,409.50
 Plus 5 % GST 270.48
 Plus 7 % PST 378.67

ALLOCATED EXPENSES & DISBURSEMENTS (GST Only)

Reproduction Charges	0.60	
Total Expenses & Disbursements		\$0.60
Plus 5% GST		0.03

BALANCE DUE OUR OFFICE **\$6,059.28**

DJACKSON/LBULEY

Appendix E - Statement of Receipts and Disbursements for the period October 5, 2020 to January 20, 2021

**KINGS CARGO EXPRESS LTD. AND CANADA CARGO LINES LTD.
IN RECEIVERSHIP**

STATEMENT OF RECEIPTS AND DISBURSEMENTS
For the Period October 5, 2020 to January 20, 2021

	<u>Kings Cargo</u>	<u>Canada Cargo</u>	<u>Total</u>	<u>Notes</u>
Receipts				
Accounts receivable collections	\$ 6,100	\$ 86,375	\$ 92,475	
Advance from secured creditor	50,000	50,000	100,000	
Cash on hand (CIBC)	3,766	1,633	5,399	
Refunds (WCB)	1,827	-	1,827	
Total Receipts	61,693	138,008	199,701	
Disbursements				
Appraisal fees	1,750	1,750	3,500	
Bank fees	116	116	232	
Filing fees	72	72	143	
GST paid on disbursements	238	238	475	
GST paid on legal fees and disbursements	825	825	1,649	
GST paid on Receiver fees and disbursements	1,422	1,422	2,844	1
Legal fees and disbursements	16,512	16,512	33,025	
PST paid on legal fees and disbursements	1,118	1,118	2,236	
Receiver fees and disbursements	28,439	28,439	56,878	1
Storage	3,000	3,000	6,000	
Total Disbursements	53,491	53,491	106,981	
Excess of Receipts over Disbursements - funds held in trust as at January 20, 2021	\$ 8,202	\$ 84,518	\$ 92,720	

Notes:

1) Excludes Receiver fees and disbursements of \$52,030.26 (plus GST) to January 13, 2021.