Court File No. CV-25-00001741-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

DOZR INC.

Respondent

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990 c. C.43, AS AMENDED

FACTUM OF THE RECEIVER

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PART I - OVERVIEW

1. This Motion is made by KPMG Inc. ("**KPMG**"), in its capacity as Court-appointed receiver (in such capacity, the "**Receiver**") of all the of the assets, undertakings, and property of Dozr Inc. ("**DOZR**", or the "**Debtor**") for an Order (the "**Discharge Order**"):

   (a) abridging the time for service of the Notice of Motion and the Motion Record and validating service so that the motion is properly returnable on June 25, 2026, and dispensing with the requirement for any further service thereof;

   (b) approving the second report of the Receiver dated June 16, 2026 and the appendices thereto (the "**Second Report**") and the activities of the Receiver described therein;

   (c) approving the Receiver's Statement of Receipts and Disbursements as at June 11, 2026;

(d) approving the fees and disbursements of the Receiver for the period from October 9, 2025 to May 31, 2026 and approving the estimated fees and disbursements of the Receiver up to its date of discharge;

(e) approving the fees and disbursements of the Receiver and its legal counsel, Borden Ladner Gervais LLP ("**BLG**"), for the period from September 5, 2025 to May 31, 2026 and approving the estimated fees and disbursements of the Receiver and BLG up to its date of the Receiver's discharge;

(f) approving distributions to, *inter alia*, Royal Bank of Canada ("**RBC**"), as detailed in the Second Report; and

(g) discharging KPMG as the Receiver of the Debtor and releasing and discharging KPMG from any and all liability KPMG now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of KPMG while acting in its capacity as Receiver in these proceedings, subject to the filing of the discharge certificate (the "**Discharge Certificate**") with the Court certifying that the Receiver has attended to the Remaining Matters (as defined below).

PART II - FACTS

A. Background

2. The relevant facts in connection with this motion are more fully detailed in the Second Report and the appendices thereto. All capitalized terms herein not otherwise defined shall have the meaning ascribed to them in the Second Report.

3. Prior to the appointment of the Receiver, DOZR carried on a business as a construction technology company operating an online marketplace for construction equipment rentals. DOZR did not directly own or lease any equipment; rather, DOZR facilitated rental transactions between contractors and third-party providers.[1]

[1] First Report of the Receiver dated October 23, 2025 ("**First Report**"), Motion Record of the Receiver dated June 22, 2026 ("**MR**"), Tab 2C, para. 10.

4. At or around the date of the Receiver's appointment, DOZR employed approximately eighteen employees in Canada and two employees in the Philippines. DOZR also retained the services of twenty-four contractors located in the United States, India, and the Philippines.[2]

5. DOZR's assets primarily consisted of accounts receivable. Given the service-oriented nature of its business and the fact that DOZR did not maintain any physical office locations, DOZR had minimal capital assets.[3]

6. DOZR is the sole shareholder of DOZR Holdings Ltd., a Delaware incorporated holding company, which, in turn, is the sole shareholder of DOZR Ltd., a Delaware incorporated entity that carries on DOZR's business activities in the United States ("**DOZR US**").[4]

7. RBC is the senior secured creditor of DOZR. As of April 10, 2026, DOZR was indebted to RBC in the aggregate amount of approximately $3.8 million, exclusive of fees, costs, and interest.[5]

B. Procedural History

8. On October 9, 2025 (the "**Appointment Date**"), pursuant to an application by Royal Bank of Canada ("**RBC**"), Justice Taylor granted an order appointing KPMG as the Receiver (the "**Appointment Order**").[6]

9. On October 30, 2025, Justice Taylor granted an order (the "**Approval and Vesting Order**"), among other things:

(a) approving the Asset Purchase Agreement between the Receiver and 17416512 Canada Ltd. (the "**Purchaser**") dated October 23, 2025 (the "**APA**"), and the sale transaction contemplated therein (the "**Transaction**"); and

(b) approving the agency agreement to be entered into between DOZR US and the Purchaser with respect to the appointment of the Purchaser as agent to DOZR US

[2] First Report, MR, Tab 2C, para. 14.
[3] First Report, MR, Tab 2C, para. 18.
[4] First Report, MR, Tab 2C, para. 9.
[5] Second Report, MR, Tab 2, para. 20.
[6] Order of Justice Taylor dated October 9, 2025 ("**Appointment Order**"), MR, Tab 2A.

in connection with collection of its accounts receivable (the "**US Agency Agreement**").[7]

10. The Transaction closed on October 31, 2025. In accordance with paragraphs 5 and 7 of the Approval and Vesting Order, the Receiver delivered a certificate (the "**Asset Certificate**") to the Purchaser and filed a copy thereof with the Court that same day.[8]

C. Activities of the Receiver

11. In connection with this motion, the Receiver has prepared the Second Report which provides a detailed summary of its activities since October 23, 2025, being the date of its first report to the Court (the "**First Report**").

12. The activities of the Receiver since the First Report have included, among other things:

(a) discussing with the Purchaser and its counsel matters related to the APA and US Agency Agreement as it relates to the Transaction, including executing the US Agency Agreement and transferring the Debtor's assets to the Purchaser;

(b) attending to closing of the Transaction and filing the Asset Certificate;

(c) attending to employee-related issues, including but not limited to terminating employees, processing payroll, preparing and issuing Records of Employment, submitting claims under the Wage Earner Protection Program, and completing and filing T4 information returns;

(d) addressing pre-filing litigation against the Debtor;

(e) monitoring the collection efforts of the Purchaser, as agent for DOZR US, pursuant to the US Agency Agreement;

(f) reviewing invoices in preparation for a distribution to the suppliers of the Debtor for goods and services provided after the Appointment Date;

[7] Order of Justice Taylor dated October 30, 2025 ("**AVO**"), MR, Tab 2B.
[8] AVO, MR, Tab 2B, paras. 5 & 7; Second Report of the Receiver dated June 16, 2026 ("**Second Report**"), MR, Tab 2, para. 13.

(g) assisting DOZR's insurance providers with settling insurance claims and completing insurance premium audits in order to close the accounts;

(h) attending to administrative matters, including maintaining the Case Website;

(i) liaising with the Canada Revenue Agency and conducting a trust account examination of the Debtor's payroll and GST/HST accounts; and

(j) preparing this Second Report and reviewing related motion materials.[9]

PART III - ISSUES

13. The Receiver's motion raises the following issues:

(a) Should the Court approve the Second Report and the activities described therein?

(b) Should the Court approve the professional fees and disbursements of the Receiver and its legal counsel?

(c) Should the Court discharge the Receiver, subject to the filing of the Discharge Certificate, on the terms set out in the Discharge Order?

PART IV - LAW AND ARGUMENT

D. Approval of Receiver's Report and Activities

14. In accordance with paragraph 3 of the Appointment Order, the Receiver is empowered and authorized to undertake certain activities with respect to the Debtor's assets, undertakings, and properties, including the sale and conveyance of property.[10]

15. This Court has the jurisdiction to approve the activities of a receiver. In *Bank of America Canada v. Willann Investments Ltd.*, Justice Farley held that the "court has the inherent jurisdiction to review and either approve or disapprove of the activities of a court appointed receiver". Justice

[9] Second Report, MR, Tab 2, para. 11.
[10] Appointment Order, MR, Tab 2A, para. 3.

Farley noted that retroactive approval of the Receiver's activities was akin to, and would have the same effect as, the Receiver having sought and received pre-emptive approval for its activities:

> I pause to note that it would be unusual and illogical that the receiver could come to court for prior approval but not post approval. If that were the case, one might well expect the courts to be inundated with prior approval requests for virtually any activity.
>
> It seems to me that a receiver should be able to come to court and bare its breast. Having done so, it has exposed itself to the sword of any interested party which may feel aggrieved of any action by that receiver. However, if the court feels that the receiver has met the objective test required of it, then the court may bestow a shield to the receiver for that reviewed and approved activity. If the activity is disapproved, then the receiver is in the unenviable position of watching itself.[11]

16. All of the Receiver's activities in this matter were conducted in a manner consistent with the powers granted by the Appointment Order and each of the activities were necessary to ensure that the receivership proceedings were as orderly, effective, and fair to all stakeholders as possible. It is respectfully submitted that the Receiver's activities should be approved by this Court.

17. Accordingly, the Receiver respectfully submits that the Second Report, and the activities of the Receiver set out therein, should be approved by this Court.

E. Approval of Fees and Disbursements of the Receiver and its Legal Counsel

18. Pursuant to paragraphs 18 and 19 of the Appointment Order and section 243(6) of the BIA, the Receiver and its counsel shall be paid their reasonable fees and disbursements upon passing their accounts on referral to the Court.[12]

19. In exercising its discretion to approve the fees of a receiver and its counsel, the Court should consider whether the remunerations and disbursements incurred were fair and reasonable in consideration of the following:

> […] the nature, extent and value of the assets handled, the complications and difficulties encountered, the degree of assistance

[11] *Bank of America Canada v. Willann Investments Ltd.*, [1993] O.J. No. 1647 (Sup. Ct.), Book of Authorities of the Receiver ("**BOA**"), Tab 1, paras. 3-4.
[12] Appointment Order, MR, Tab 2A, paras. 18-19; *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended, Schedule B, s. 243(6). ["**BIA**"]

> provided by the company, its officers or its employees, the time spent, the receiver's knowledge, experience and skill, the diligence and thoroughness displayed, the responsibilities assumed, the result of the receiver's efforts, and the cost of comparable services when performed in a prudent and economical manner.[13]

20. Further factors set out in *Bank of Nova Scotia v. Diemer* include, among other things:

(a) the principle of proportionality; "there must be practical and reasonable limits to the amounts awarded and those amounts should bear some reasonable connection to the amount that should reasonably have been contemplated";

(b) the Court ought not to second guess the amount of time claimed "unless it is clearly excessive or overreaching";

(c) the Courts should award the costs in a more “holistic manner”; and

(d) an order appointing the receiver and/or counsel "at standard rates" does not detract from the requirement of proportionality vis-à-vis the size of the estate and the matter's complexity.[14]

21. In order to be reasonable, a receiver need not be administered as inexpensively as possible. Rather, in determining whether fees are reasonable, the Court shall take into account the effectiveness of the receiver:

> While sufficient fees should be paid to induce competent persons to serve as receivers, receiverships should be administered as economically as reasonably possible. Reasonably is emphasized. It should not be based on any cut rate procedures or cutting corners and it must relate to the circumstances. It should not be the expensive foreign sports model; but neither should it be the battered used car which keeps its driver worried about whether he will make his destination without a breakdown.[15] [Citations omitted]

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[13] *Confectionately Yours, Inc. (Re Bakemates International Inc.),* 2002 CanLII 45059 (Ont. C.A.), para. 45 [“***Confectionately Yours***”], citing *Federal Business Development Bank v. Belyea and Fowler*, 1983 CanLII 4086 (N.B. C.A.), para. 9.
[14] *Bank of Nova Scotia v. Diemer*, 2014 ONSC 365, para. 19; aff’d 2014 ONCA 851.
[15] *Confectionately Yours*, para. 49.

22. Accordingly, the Court ought to approach its assessment of fees with a degree of deference unless there is cause for concern:

> In reviewing a claim for costs, the Court does not undertake a line by line analysis of the hours claimed, and should not second-guess the amount claimed, unless it is clearly excessive or overreaching. It considers what is reasonable in the circumstances and, taking into account all the relevant factors, awards costs in a global *fashion.*[16]

23. Where chartered accountants are retained to perform the duties of a receiver-manager (or similar), "there is no reason why they should not get paid at the going rate they charge all of their clients for the services they render."[17] In the present context, the comments of Deputy Registrar Wellburn in *Re G.A. Ross Hearing Instruments Inc.* are informative:

> The trustee has charged fees on an hourly rate basis. Mr. Rogers' hourly rate is $260.00 per hour. He has been a licensed trustee for six years and a chartered accountant for thirty years. […]
>
> These rates may appear high to a member of the public, even when compared to other professions, when one considers that a firm of chartered accountants may bill the time of the accountants and the time of all levels of support staff based on the decision of *Bank of Montreal* v. *Nican Trading Co.* (1990) 1990 CanLII 454 (BC CA), 78 C.B.R. 85 (B.C.C.A.). <u>However, in my experience the rates charged by the trustee are comparable to those of other large accounting firms. Given the complexity of this insolvency, it was not unreasonable for this firm of accountants to act as the trustee and to charge their time at their usual rates</u>.[18] [Emphasis added]

24. On a motion seeking approval of fees, the motion record ought to include detailed records of the work performed by the professionals who rendered services:

> As for the procedure that applies to the passing of the accounts, *Bennett* indicates at p. 460 that there is no prescribed process. Nonetheless, the case law provides some requirements for the substance or content of the accounts. <u>The accounts must disclose in detail the name of each person who rendered services, the dates on which the services were rendered, the time expended each day, the rate charged and the total charges for each of the categories of services rendered. The accounts should be in a form that can be easily understood by those affected by the receivership (or by the judicial officer required to assess the accounts) so that such person can determine the amount of time spent by the receiver's employees</u>

[16] *David v. TransAmerica Life Canada*, <u>2016 ONSC 1777</u>, <u>para. 22</u>. ["***Transamerica***"]
[17] *Prairie Palace Motel v. Carlson*, 1980 CarswellSask 25 (Q.B.), <u>BOA, Tab 2, para. 6</u>.
[18] *Ross (Trustee of)*, <u>1998 CanLII 5409 (B.C. Sup. Ct.)</u>, <u>paras. 29-30</u>. ["***Ross***"]

(and others that the receiver may have hired) in respect to the various discrete aspects of the receivership. [Citations omitted; emphasis added][19]

25. For the period of August 8, 2025 to May 31, 2026, the professional fees of the Receiver are in the amount of $281,207.28 (comprising fees of $235,828.75, disbursements of $13,027.24, and HST of $32,351.29).[20]

26. For the period of September 5, 2025 to May 31, 2026, the professional fees of BLG are in the amount of $82,786.58 (comprising fees of $70,858.50, disbursements of $2,498.37, and HST of $9,429.71.[21]

27. The Receiver respectfully submits that the Receiver's fees and disbursements and those of its counsel, each as detailed in the Second Report, should be approved.

28. Additionally, the Receiver seeks approval of the anticipated fees of the Receiver and its counsel to be incurred from June 1, 2026 to the date of the Receiver's discharge. During this period, and in order to complete the administration of this receivership, the Receiver shall attend to, among other matters:

(a) paying distributions to RBC and other priority claimants in respect of, *inter alia*, pre-filing sales tax, pre-filing source deductions, and amounts owing under the Wage Earner Protection Program;

(b) attending to outstanding tax-related matters, including filing outstanding returns;

(c) resolving a dispute regarding entitlement to refund premiums payable by the Debtor's former insurance broker (the "**Insurance Refund Dispute**");

(d) paying post-filing operating expenses, including the professional fees of the Receiver and BLG;

(e) terminating the US Agency Agreement; and

[19] *Confectionately Yours*, para. 37.
[20] Affidavit of Pritesh Patel, sworn June 15, 2026 ("**Patel Affidavit**"), MR, Tab 2E.
[21] Affidavit of Christine Mason, sworn June 16, 2026 ("**Mason Affidavit**"), MR, Tab 2F.

(f) preparing and filing the Receiver's final report as required under Section 246(3) of the BIA (together, the "**Remaining Matters**").[22]

29. The estimated professional fees to be incurred by the Receiver and BLG in connection with the Remaining Matters are in the aggregate amount of approximately $80,005, exclusive of HST and disbursements (the "**Fee Accrual**").[23]

30. On a motion seeking approval of a receiver's discharge upon filing of a certificate, it is appropriate for the Court to approve the receiver's anticipated fees through to the date of discharge. These fees can include the completion of remaining matters such as distributions, the preparation of motion materials, and attendance before the court in respect of the discharge motion.[24] In determining whether the estimated fees are appropriate, the Court shall consider the principles outlined above, including but not limited to the factors set out in *Diemer*.[25]

31. For the reasons detailed above, the Receiver submits that the Fee Accrual is reasonable and should be approved. The Fee Accrual is proportionate with the scope of the Remaining Matters and represents a reasonable estimate of the actual fees to be incurred.

F. Discharge and Release of the Receiver

i. The Receiver should be discharged upon filing of the Discharge Certificate

32. Upon completion of the Remaining Matters, the Receiver's mandate will be substantially complete. Accordingly, the Receiver submits that it is appropriate that the Receiver and its counsel, BLG, be discharged upon filing of the Discharge Certificate.

33. Courts have granted orders discharging a receiver upon filing of a certificate where, among other things:

(a) the proceedings are substantially complete, subject to administrative matters and distributions of proceeds; and

[22] Second Report, MR, Tab 2, para. 42.
[23] Patel Affidavit, MR, Tab 2E; Mason Affidvit, MR, Tab 2F.
[24] *Realtrium Holdings Pickering Inc. v. Simpson*, 2025 ONSC 5605, paras. 98-99.
[25] *Kingsett Mortgage Corporation v. Churchill Lands United Inc.*, 2024 ONSC 7127, paras. 49-50. ["***Kingsett***"]

(b) the proposed manner of discharge will avoid the cost of a further motion.[26]

34. The Remaining Matters, as detailed above, consist primarily of making final distributions and fulfilling routine statutory obligations. The only substantive outstanding matter is the resolution of the Insurance Refund Dispute, which the Receiver believes can be resolved out of court in a cost-effective and timely manner.[27]

35. Furthermore, the proposed manner of discharge will alleviate the need for an additional motion, in connect with which the Receiver and its counsel would incur further fees that would reduce the amount of funds available for distribution to the Debtor's secured creditors.

36. Additionally, the Discharge Order contains a release in favour of KPMG and BLG in respect of any liability arising from their acts or omissions in connection with the receivership, save and except for any gross negligence of wilful misconduct.

37. The proposed release is substantively consistent with the release contained in model discharge order prepared by the Commercial List Users Committee. In absence of improper or negligent conduct on the part of the Receiver, such a release should be granted.[28]

PART V - ORDER REQUESTED

38. The Receiver requests that this Court issue an Order substantially in the form attached at Tab 3 to the Motion Record.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

June 22, 2026

Alex MacFarlane / Nick Hollard
Lawyers for the Receiver, KPMG Inc.

[26] *Kingsett*, para. 48.
[27] Second Report, MR, Tab 2, para. 14.
[28] *Pinnacle v. Kraus*, 2012 ONSC 6376, paras. 14 & 47; *Kingsett*, para. 47; *American General Life Insurance Company et al. v. Victoria Avenue North Holdings Inc. et al.*, 2023 ONSC 3322, paras. 26-30.

Schedule "A" – Authorities Cited

1. *Bank of America Canada v. Willann Investments Ltd.*, [1993] O.J. No. 1647 (Sup. Ct.)
2. *Confectionately Yours, Inc. (Re Bakemates International Inc.)*, 2002 CanLII 45059 (Ont. C.A.)
3. *Federal Business Development Bank v. Belyea and Fowler*, 1983 CanLII 4086 (N.B. C.A.)
4. *Bank of Nova Scotia v. Diemer*, 2014 ONSC 365
5. *Bank of Nova Scotia v. Diemer*, 2014 ONCA 851
6. *David v. TransAmerica Life Canada*, 2016 ONSC 1777
7. *Prairie Palace Motel v. Carlson*, 1980 CarswellSask 25 (Q.B.)
8. *Ross (Trustee of)*, 1998 CanLII 5409 (B.C. Sup. Ct.)
9. *Realtrium Holdings Pickering Inc. v. Simpson*, 2025 ONSC 5605
10. *Kingsett Mortgage Corporation v. Churchill Lands United Inc.*, 2024 ONSC 7127
11. *Pinnacle v. Kraus*, 2012 ONSC 6376
12. *American General Life Insurance Company et al. v. Victoria Avenue North Holdings Inc. et al.*, 2023 ONSC 3322

CERTIFICATE OF AUTHENTICITY

I certify that I am satisfied as to the authenticity of every authority cited.

Note: Under Rule 4.06.1(2.2) of the *Rules of Civil Procedure*, an authority that is published on a government website or otherwise by a government printer, on the Canadian Legal Information Institute website (CanLII), on a court's website or by a commercial publisher of court decisions is presumed to be authentic for the purposes of subrule (2.1), absent evidence to the contrary.

June 22, 2026

N. H

Nick Hollard

Schedule "B" – Legislation Cited

***Bankruptcy and Insolvency Act*, R.S.C., 1985, C. B-3, as amended**

G. Secured Creditors and Receivers

Court may appoint receiver

243 (1) Subject to subsection (1.1), on application by a secured creditor, a court may appoint a receiver to do any or all of the following if it considers it to be just or convenient to do so:

- **(a)** take possession of all or substantially all of the inventory, accounts receivable or other property of an insolvent person or bankrupt that was acquired for or used in relation to a business carried on by the insolvent person or bankrupt;
- **(b)** exercise any control that the court considers advisable over that property and over the insolvent person's or bankrupt's business; or
- **(c)** take any other action that the court considers advisable.

Restriction on appointment of receiver

(1.1) In the case of an insolvent person in respect of whose property a notice is to be sent under subsection 244(1), the court may not appoint a receiver under subsection (1) before the expiry of 10 days after the day on which the secured creditor sends the notice unless

- **(a)** the insolvent person consents to an earlier enforcement under subsection 244(2); or
- **(b)** the court considers it appropriate to appoint a receiver before then.

Definition of *receiver*

(2) Subject to subsections (3) and (4), in this Part, ***receiver*** means a person who

- **(a)** is appointed under subsection (1); or
- **(b)** is appointed to take or takes possession or control — of all or substantially all of the inventory, accounts receivable or other property of an insolvent person or bankrupt that was acquired for or used in relation to a business carried on by the insolvent person or bankrupt — under
  - **(i)** an agreement under which property becomes subject to a security (in this Part referred to as a "security agreement"), or
  - **(ii)** a court order made under another Act of Parliament, or an Act of a legislature of a province, that provides for or authorizes the appointment of a receiver or receiver-manager.

Definition of *receiver* — subsection 248(2)

(3) For the purposes of subsection 248(2), the definition ***receiver*** in subsection (2) is to be read without reference to paragraph (a) or subparagraph (b)(ii).

Trustee to be appointed

(4) Only a trustee may be appointed under subsection (1) or under an agreement or order referred to in paragraph (2)(b).

Place of filing

(5) The application is to be filed in a court having jurisdiction in the judicial district of the locality of the debtor.

Orders respecting fees and disbursements

(6) If a receiver is appointed under subsection (1), the court may make any order respecting the payment of fees and disbursements of the receiver that it considers proper, including one that gives the receiver a charge, ranking ahead of any or all of the secured creditors, over all or part of the property of the insolvent person or bankrupt in respect of the receiver’s claim for fees or disbursements, but the court may not make the order unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations.

Meaning of *disbursements*

(7) In subsection (6), ***disbursements*** does not include payments made in the operation of a business of the insolvent person or bankrupt.

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PROCEEDING COMMENCED AT KITCHENER

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