Court File No.: CV-24-00003312-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

TRANS GLOBE LOGISTICS INC., POLESTAR HOLDINGS LTD. and COMPASS ROSE INTERNATIONAL TRANSPORTATION INC.

Respondents

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. C43, AS AMENDED

FACTUM OF THE RECEIVER
(Motion Returnable September 18, 2025)

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TO: **THE SERVICE LIST**

Court File No.: CV-24-00003312-0000

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FACTUM OF THE RECEIVER

PART I – OVERVIEW

1. This Factum is submitted by KPMG Inc. ("**KPMG**"), in its capacity as court-appointed receiver (the "**Receiver**") of the assets, undertakings, and properties of Trans Globe Logistics Inc. ("**Trans Globe**"), Polestar Holdings Ltd. ("**Polestar**") and Compass Rose International Transportation Inc. ("**Compass Rose**", and together with Trans Globe and Polestar, the "**Debtors**"), for, *inter alia*:

(a) an order requiring Paul Randhawa ("**Mr. Randhawa**") and Jason F. Hunt ("**Mr. Hunt**") to return the Missing Trucks (as defined below) to the property located at 12423 Coleraine Drive, Bolton, Ontario (the "**Coleraine Property**");

(b) an order requiring 2268325 Ontario Inc., operating as Toronto Truck Tire Centre ("**Toronto Truck**"), to return Unit 1120 to the Receiver, or to make a payment to the Receiver in lieu thereof;

(c) an order requiring Mr. Randhawa, Mr. Hunt, Daljeet Kaur Randhawa ("**Ms. Randhawa**") and Amol Randhawa (A. Randhawa, and collectively, the "**Individual Responding Parties**") to make a payment to the Receiver in the amount of $357,535.37 in respect of the Incremental Costs (as defined below);

(d) an order requiring the Individual Responding Parties and Toronto Truck to pay the Receiver's costs of this motion on a full indemnity scale; and

(e) such other relief as the Court deems just.

PART II – FACTS

Background

2. Pursuant to an order (the "**Receivership Order**") of the Ontario Superior Court of Justice (the "**Court**") dated January 15, 2025, upon application by Royal Bank of Canada, KPMG was appointed Receiver over all of the assets, property and undertaking of the Debtors.[1]

3. On or about May 27, 2025, the Receiver brought a motion, returnable on June 27, 2025 (the "**June 27 Motion**"), seeking the following relief:

(a) an order requiring Mr. Randhawa and Mr. Hunt to return the Missing Trucks to the property located at the Coleraine Property;

[1] First Report at para. 1; Appendix "A" to the First Report.

(b) an order requiring Mr. Randhawa to repay the Stolen Trans Globe Funds (as defined below) to the Receiver;

(c) an order requiring A. Randhawa and Ms. Randhawa to return the Stolen Compass Rose Funds (as defined below) to the Receiver;

(d) an order requiring Toronto Truck to return Unit 1120 to the Receiver, or to make a payment to the Receiver in lieu thereof;

(e) an order, among other things:

(i) approving the Auction Agreement;

(ii) authorizing the Auctioneer to conduct the Auction in accordance with the terms of the Auction Agreement; and

(iii) vesting in each purchaser at the Auction the Debtors' and the Receiver's right, title and interest in and to the Property purchased by such respective Purchaser at the Auction, free and clear of any claims and encumbrances;

(f) an order approving the Coleraine Broker Listing Agreement and the Dunlop Broker Listing Agreement; and

(g) an order, among other things:

(i) approving the First Report and the activities of the Receiver described therein;

(ii) sealing Confidential Appendix "A" until further Order of this Court; and

(iii) an order providing the Receiver with investigative powers available to a trustee in bankruptcy under the *Bankruptcy and Insolvency Act*, R.S.O. 1990, c. C.43, as amended (the "**BIA**").

4. In support of all of the relief sought in the June 27 Motion, the Receiver served its factum dated June 10, 2025, a copy of which is attached hereto as Schedule "A".

5. At the hearing on June 27, the relief sought in paragraphs 3(b), (c), and (e) through (g) proceeded on consent or on an unopposed basis. The parties also agreed that the hearing of the relief sought in paragraphs 3(a) and (d) would be adjourned to September 18, 2025, pursuant to the following timetable:

(a) the Receiver shall deliver a revised Notice of Motion and any supporting materials dealing with costs by Friday, July 4, 2025;

(b) the Individual Responding Parties and Toronto Truck shall deliver any responding materials by no later than Monday, July 28, 2025;

(c) the Receiver shall deliver any reply materials by Tuesday, August 5, 2025;

(d) the Individual Responding Parties and Daljit Sahota shall attend for cross-examinations, if requested by the Receiver, by no later than Tuesday, August 12, 2025; and

(e) the Receiver, the Individual Responding Parties and Toronto Truck shall file their facta in accordance with the *Rules of Civil Procedure* (Ontario).

6. In accordance with the foregoing timetable, the Receiver served its revised Notice of Motion and Supplemental Report on Friday, July 4, 2025.

7. Despite the Court-ordered timetable, the Individual Responding Parties and Toronto Truck did not deliver any responding materials by the July 28, 2025 deadline, and, to date, have still not delivered any materials.

The Fraudulent Activity

8. As discussed in detail in the First Report, the Fraudulent Activity committed by the Individual Responding Parties consisted of the following:[2]

(a) Mr. Randhawa, with the assistance of Mr. Hunt, removed from the Coleraine Property 24 of the Debtors' trucks - 15 of which were subsequently located and retrieved by the Receiver, one of which was subsequently in an accident and 8 of which continue to be unaccounted for as of the date of the Supplemental Report (the "**Missing Trucks**"). The Receiver estimates the value of these 24 trucks to be at least **$**1.1 million, and the value of the 9 remaining trucks that were not retrieved from Toronto Truck to be at least $600,000;

(b) Mr. Randhawa redirected payments in respect of Trans Globe accounts receivable from the Debtors' largest customer, J.B. Hunt, to a bank account unknown to the Receiver. The Receiver estimates the value of these redirected funds to be approximately USD $263,161.56 (the "**Stolen Trans Globe Funds**");

[2] First Report at paras. 15, 17-97; Supplemental Report at para. 10.

(c) Ms. Randhawa directed funds from a Compass Rose bank account that was not disclosed to the Receiver to A. Randhawa, believed to be the brother of Mr. Randhawa and the son of Ms. Randhawa. The Receiver estimates the value of these funds to be approximately $106,300 (the "**Stolen Compass Rose Runds**"); and

(d) Ms. Randhawa contacted Canada Post to have Trans Globe's mail redirected from the 41 Parr offices to her home address, which has interfered with the Receiver's ability to carry out its duties pursuant to the Receivership Order.

The Incremental Costs

9. The Debtors' estate has incurred material incremental costs as a direct consequence of the Fraudulent Activity, in the form of both professional fees and estate disbursements, that otherwise would not have been incurred (the "**Incremental Costs**"). The Receiver estimates the Incremental Costs to be approximately $357,535.37.[3]

10. Paragraphs 12-16 of the Supplemental Report set out, in detail, the professional and estate fees and disbursements in connection with the Incremental Costs.[4]

PART III – ISSUES

11. The Receiver's motion raises the following main legal issues:

(a) Should the Court require Mr. Randhawa and Mr. Hunt to return the Missing Trucks to the Coleraine Property?

[3] Supplemental Report at para. 11.
[4] Supplemental Report at paras. 12-16.

(b) Should the Court require Toronto Truck to return Unit 1120 to the Receiver, or to make a payment to the Receiver in lieu thereof?

(c) Should the Court require the Individual Responding Parties and Toronto Truck to pay to the Receiver the Incremental Costs and the costs of this motion on a full indemnity scale?

PART IV – LAW AND ARGUMENT

Mr. Randhawa, Mr. Hunt and Toronto Truck Should be Required to Return the Missing Trucks and Unit 1120

12. As detailed in the First Report, there are 8 stolen trucks that continue to be unaccounted for.[5]

13. The First Report provides compelling evidence that Mr. Randhawa and Mr. Hunt orchestrated the removal of at least 24 trucks from the Coleraine Property immediately following the Receiver's notice of intent to wind down the Business.[6]

14. It appears that Mr. Randhawa, with the assistance of Mr. Hunt, removed 24 of the Debtors' trucks from the Coleraine Property immediately following the Receiver communicating to Mr. Randhawa that it intended to wind down the Business. Mr. Hunt then intentionally misled the Receiver in order to delay the Receiver's discovery of these actions, while Mr. Randhawa continued to use the Stolen Trucks to carry on business for R Bros Linehaul, a trucking company whose directors include Gurjeet Singh Randhawa ("**G. Randhawa**"), and, it appears, Ms.

[5] First Report at para. 100.
[6] First Report at paras. 41-47, 51-68, 83.

Randhawa. After being informed that the Receiver had become aware of the removal of the trucks, Mr. Randhawa appears to have directed 16 of the Stolen Trucks to Toronto Truck.[7]

15. Despite photographic and written confirmation that Unit 1120 was present at Toronto Trucks' lot, it has not been returned, and Toronto Truck has since refused to disclose its whereabouts.[8]

16. The Receiver respectfully requests that the Court order (a) Mr. Randhawa and Mr. Hunt to immediately deliver up possession of the Missing Trucks to the Receiver at the Coleraine Property; and (b) Toronto Truck to deliver up possession of Unit 1120 forthwith, or alternatively, to make payment in lieu thereof to the Receiver.

The Individual Responding Parties and Toronto Truck Should Pay the Incremental Costs and the Costs of this Motion on a Full Indemnity Scale

17. Cost awards on a full indemnity basis are warranted in situations involving sanction-worthy behaviour by the losing party.[9]

18. Substantial indemnity costs is the elevated scale of costs normally resorted to when the Court wishes to express its disapproval of the conduct of a party to the litigation. It follows that conduct worthy of sanction would have to be especially egregious to justify the highest scale of full indemnity costs.[10]

[7] First Report at para. 82-83.
[8] First Report at para. 78-80, 83; Appendices "I", "J", "K" and "L" to the First Report.
[9] *Davies v Clarington (Municipality) et al*, 2009 ONCA 722 at paras 28-29.
[10] *Net Connect Installation Inc v Mobile Zone Inc*, 2017 ONCA 766 at para 9.

19. Cost orders have been awarded to include time and disbursements incurred by court officers (above and beyond its legal costs) in various cases based on conduct by a party that caused the court officer to needlessly incur costs. Examples include:

(a) ***Return on Innovation Capital Ltd. v. Gandi Innovations Ltd.*** - the Court held that the work done by the court-appointed monitor (and the associated fees) would not have been incurred but for the position taken by the unsuccessful litigant. The Court stated: "the cost of the work done by BDO was for and incidental to the motion and permissible in accordance with section 131 of the *Courts of Justice Act*";[11]

(b) ***Castillo v. Xela Enterprises Ltd.*** - the Court exercised its discretion under s. 131 of the *Courts of Justice Act* to grant costs on a full indemnity basis to the court-appointed receiver, payable by the respondent, of the receiver's contempt motion. The Court noted that the receiver had to incur unnecessary time and expense to enforce compliance with the very order under which it was appointed, and it would be "manifestly unfair for the Applicant to have to bear the financial burden" of the respondent's breaches of the appointment order; [12]

(c) ***CAMT Speed-I-Com Inc. v. Pace Savings & Credit Union Ltd.*** - the Court ordered that the purchasers of certain assets of the debtor, who brought a motion to vary the Court's sale approval order but subsequently abandoned the sale transaction, pay costs on a substantial indemnity basis to the interim receiver of the debtor for its costs and those of its counsel;[13]

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[11] *Return on Innovation v Gandi Innovations*, 2011 ONSC 7465 at para 22.
[12] *Castillo v Xela Enterprises Ltd*, 2022 ONSC 6696 at paras 12, 23.
[13] *CAMT Speed-I-Com Inc v Pace Savings & Credit Union Ltd* (2006), 2006 CanLII 1765 at paras 12, 14 (CanLII).

(d) ***RII Holdings Inc. v. KPMG Inc.*** - a creditor who had initiated the assessment of fees of the interim receiver on the basis that the interim receiver had mismanaged the receivership was ordered to pay, on a substantial indemnity basis, the costs of the interim receiver and its legal counsel relating to the assessment hearing;[14]

(e) ***The Sanderson-Harold Company Limited et al*** - Justice Osborne ordered that a purchaser of assets pay the costs of the trustee and its counsel in connection with an injunction motion by the trustee against the purchaser following self-help remedies inappropriately taken by the purchaser;[15] and

(f) ***Canadian Western Bank v. Canadian Motor Freight Ltd. et al.*** - Justice Black held contemnors jointly and severally liable for the Receiver's costs on a full indemnity scale, emphasizing that "the moving party should not be the one to bear the financial burden of the contempt" and that costs in such cases are the appropriate means to ensure that the estate is not further depleted by misconduct.[16] The Court also stressed the need for denunciation and deterrence where conduct undermines "the Receiver's exclusive authority and power to deal with the Receivership Property," citing the Court of Appeal's decision in *Castillo v. Xela Enterprises Ltd*.[17]

20. The Incremental Costs were incurred solely as a direct consequence of the Fraudulent Activity perpetrated by the Individual Responding Parties. These costs would not have arisen but

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[14] *RII Holdings Inc (Re)* (2008), 2008 CanLII 16469 at paras 7, 9, 15, 17 (ONSC).
[15] *The Sanderson-Harold Company Limited (Re)*, Endorsement of Justice Osborne, Ontario Superior Court of Justice (Commercial List), September 29, 2023, Court File No. BK-22-02835198-0031 (unreported) at paras 31, 34.
[16] *Canadian Western Bank v Canadian Motor Freight Ltd. and 2568403 Ontario Inc.*, CV-24-00728550-00CL (Ont Sup Ct J [Commercial List]) (13 January 2025), Black J, unreported (Endorsement) at para 32 [*Canadian Motor Freight*].
[17] *Canadian Motor Freight*, *supra* note 16 at para 18 citing *Castillo v Xela Enterprises Ltd*, 2024 ONCA 141 at para 89.

for the deliberate and unauthorized actions taken to conceal, misappropriate, and or remove assets from the Estate.

21. Barring unforeseen recoveries and unless recovered from the Individual Responding Parties, it is presently anticipated that these costs would be borne by the Applicant, which the Receiver submits is unfair and inequitable.

22. Accordingly, the Receiver respectfully requests that this Honourable Court order the Individual Responding Parties to reimburse the Estate for the Incremental Costs, together with the costs of this motion on a full indemnity basis.

PART V – RELIEF SOUGHT

23. For the reasons set out above, the Receiver respectfully recommends and requests that the Court grant the orders sought on this motion.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 11 day of September, 2025.

I certify of the authenticity of every authority cited in the factum.

CHAITONS LLP
Lawyers for the Receiver, KPMG Inc.

SCHEDULE "A"

FACTUM OF THE RECEIVER DATED JUNE 10, 2025

Court File No.: CV-24-00003312-0000

ONTARIO
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FACTUM OF THE RECEIVER
(Motion Returnable June 27, 2025)

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Lawyers for KPMG Inc., in its capacity as Receiver

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FACTUM OF THE RECEIVER

PART I – OVERVIEW

1. This Factum is submitted by KPMG Inc. ("**KPMG**"), in its capacity as court-appointed receiver (the "**Receiver**") of the assets, undertakings, and properties of Trans Globe Logistics Inc. ("**Trans Globe**"), Polestar Holdings Ltd. ("**Polestar**") and Compass Rose International Transportation Inc. ("**Compass Rose**", and together with Trans Globe and Polestar, the "**Debtors**"), for, *inter alia*:

(a) an order requiring Paul Randhawa ("**Mr. Randhawa**") and Jason F. Hunt ("**Mr. Hunt**") to return the Missing Trucks[1] to the property located at 12423 Coleraine Drive, Bolton, Ontario;

[1] All capitalized terms not defined herein have the meanings defined in the First Report of the Receiver dated May 27, 2025 (the "**First Report**"), Motion Record Tab 2.

(b) an order requiring Mr. Randhawa to repay the Stolen Trans Globe Funds to the Receiver;

(c) an order requiring Amol Randhawa ("**A. Randhawa**") and Daljeet Kaur Randhawa ("**Ms. Randhawa**") to return the Stolen Compass Rose Funds to the Receiver;

(d) an order requiring 2268325 Ontario Inc., operating as Toronto Truck Tire Centre ("**Toronto Truck**"), to return Unit 1120 to the Receiver, or to make a payment to the Receiver in lieu thereof;

(e) an order providing the Receiver with investigative powers available to a trustee in bankruptcy under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the "**BIA**");

(f) an order approving the Auction (as defined in the Auction Agreement) contemplated by an auction services agreement between McDougall Auctioneers Ltd. (the "**Auctioneer**") and the Receiver dated May 16, 2025 (the "**Auction Agreement**"), authorizing the Auctioneer to conduct the Auction and vesting in each respective Purchaser, the Debtors' and the Receiver's right, title and interest in and to the Vehicle Fleet (as defined below), free and clear of encumbrances;

(g) an order approving the Broker Listing Agreements (as defined below);

(h) an order approving the First Report, and the activities of the Receiver described therein;

(i) an order sealing Confidential Appendix "A"; and

(j) such other relief as the Court deems just.

PART II – FACTS

Receivership Proceeding

2. Pursuant to an order (the "**Receivership Order**") of the Ontario Superior Court of Justice (the "**Court**") dated January 15, 2025, upon application by Royal Bank of Canada, KPMG was appointed Receiver over all of the assets, property and undertaking of the Debtors.[2]

Background

3. Trans Globe and Compass Rose operated as freight carriers whose primary assets were accounts receivable, trucks and trailers, and a property located at Dunlop Street, Fort Erie, Ontario (the "**Dunlop Property**").[3]

4. Polestar is a real estate holding company whose primary asset is a property located at 12423 Coleraine Drive, Bolton, Ontario (the "**Coleraine Property**").[4]

5. Trans Globe and Compass Rose operated primarily out of (i) the Coleraine Property, where the Debtors' commercial vehicle fleet of approximately 71 trucks and 34 trailers (the "**Vehicle Fleet**") was stored, and (ii) leased premises located at 41 Parr Blvd, Caledon Ontario.[5]

6. Management of the Debtors' business consisted of: (i) Mr. Randhawa, who oversaw day-to-day business and operations; (ii) Ms. Randhawa, Mr. Randhawa's mother and the Debtors' President, Secretary, and sole director, who managed payroll and treasury matters; and (iii) Mr.

[2] First Report at para. 1; Appendix "A" to the First Report.
[3] First Report at para. 9.
[4] First Report at para. 10.
[5] First Report at para. 11.

Hunt, the Chief Operating Officer, who was responsible for managing logistical and safety matters, including managing and overseeing the Vehicle Fleet.[6]

7. Following its appointment, the Receiver temporarily operated the Debtors' business (the "**Business**") through Mr. Randhawa and Mr. Hunt while assessing realization options, including a sale of the Business as a going concern under a proposal submitted by Mr. Randhawa. The Receiver ultimately determined that Mr. Randhawa's proposal was not viable, and proceeded to wind down the Business and realize upon the Property.[7]

Fraudulent Activity

8. As discussed in detail in the First Report, following the Receiver's determination to wind down the Business, the following unlawful activity has taken place (collectively, the "**Fraudulent Activity**"):[8]

(a) Mr. Randhawa, with the assistance of Mr. Hunt, removed from the Coleraine Property 24 of the Debtors' trucks - 15 of which were subsequently located and retrieved by the Receiver, one of which was subsequently in an accident and 8 of which continue to be unaccounted for as of the date of this First Report (the "**Missing Trucks**"). The Receiver estimates the value of these 24 trucks to be at least **$**1.1 million, and the value of the 9 remaining trucks that were not retrieved from Toronto Truck to be at least $600,000;

[6] First Report at para. 12.
[7] First Report at para. 14.
[8] First Report at para. 15.

(b) Toronto Truck subsequently came into possession of 16 of the Stolen Trucks, 15 of which were subsequently retrieved by the Receiver and one of which, Unit 1120, was removed and/or relocated by Toronto Truck. The Receiver estimates the value of one the truck that was removed and/or relocated by Toronto Truck to be at least $105,000;

(c) Mr. Randhawa redirected payments in respect of Trans Globe accounts receivable from the Debtors' largest customer, J.B. Hunt, to a bank account in the name of Trans Globe Warehousing and Cold Storage LLC ("**Trans Globe Warehousing**").[9] The Receiver estimates the value of these redirected funds to be approximately USD $263,161.56 (the "**Stolen Trans Globe Funds**");

(d) Ms. Randhawa directed funds from a Compass Rose bank account that was not disclosed to the Receiver to A. Randhawa, believed to be the brother of Mr. Randhawa and the son of Ms. Randhawa. The Receiver estimates the value of these funds to be approximately $106,300 (the "**Stolen Compass Rose Funds**"); and

(e) Ms. Randhawa contacted Canada Post to have Trans Globe's mail redirected from the 41 Parr offices to her home address, which has interfered with the Receiver's ability to carry out its duties pursuant to the Receivership Order.

9. The Fraudulent Activity was conducted immediately following the Receiver communicating to Mr. Randhawa, on February 3, 2025, that the Receiver no longer intended to

[9] The authorized persons of Trans Globe Warehousing include Ms. Randhawa and Gurjeet S. Randhawa.

pursue Mr. Randhawa's offer to acquire the Business, and that the Receiver intended to wind down the Business and realize on the Property.[10]

10. Paragraphs 41-101 of the First Report set out, in detail, the Fraudulent Activity undertaken by Management, A. Randhawa and Toronto Truck, along with other related information.

Vehicle Fleet Sale Process

11. As set out in the First Report, the Receiver conducted a comprehensive auctioneer selection process for the marketing and sale of the Vehicle Fleet.[11]

12. Following extensive discussions with the Shortlisted Auctioneers, and in consultation with the Applicant, the Receiver selected McDougall Auctioneers Ltd. as the successful auctioneer.[12]

13. The Auctioneer was selected for the following reasons (among others):[13]

(a) the Auctioneer's Proposal:

(i) had the highest net minimum guarantee of all Proposals received;

(ii) contemplated the Receiver sharing in any sale proceeds in excess of the net minimum guarantee; and

(iii) proposed an "as is, where is" transaction structure, with any minor refurbishment costs being at the expense of the Auctioneer;

[10] First Report at para. 16.
[11] First Report at paras. 107-110.
[12] First Report at para. 111.
[13] First Report at para. 112.

(b) the Auctioneer is a well-known provider of auctioneer services for trucks and trailers; and

(c) the Applicant was supportive of the Auctioneer being selected.

The Auction Agreement

14. The Receiver has entered into Auction Agreement, which sets out the terms of the Auction, including which of the Vehicle Fleet will be included in the Auction (the "**Auction Vehicles**"), whereby each Purchaser will acquire its Purchased Asset(s) from the Receiver.[14]

15. The key terms of the Auction Agreement are summarized in paragraph 114 of the First Report.[15]

Sealing of the Confidential Appendix

16. Confidential Appendix "A" is an unredacted copy of the Auction Agreement. The only information contained in Confidential Appendix "A" that has been redacted from Appendix "Q" (being the redacted copy of the Auction Agreement) is the Guaranteed Amount and the First Threshold (each as defined in the Auction Agreement).[16]

Real Property Sale Process

17. As set out in the First Report, the Receiver conducted a comprehensive broker selection process for the marketing and sale of the Coleraine Property and/or the Dunlop Property.[17]

[14] First Report at para. 113; Appendix "Q" to the First Report; Confidential Appendix "A".
[15] First Report at para. 114.
[16] First Report at para. 116.
[17] First Report at paras. 118-120.

18. Following extensive discussions with the Shortlisted Brokers, and in consultation with the Applicant, the Receiver selected Avison Young Commercial Real Estate Services, LP (the "**Coleraine Broker**") and CBRE Limited (the "**Dunlop Broker**" and collectively with the Coleraine Broker, the "**Brokers**") to assist the Receiver in the marketing and sale of the Coleraine Property and the Dunlop Property, respectively.[18]

19. The Brokers were selected for the following reasons (among others):

(a) each of the Brokers are well-known commercial real estate brokers and put forward sales representatives with relevant experience and credentials;

(b) each of the Brokers presented detailed marketing and pricing strategies that the Receiver believed to be appropriate in the respective circumstances;

(c) each of the Brokers Proposals included competitive seller commissions, and included cooperating broker commissions such that buyers' agents would be incentivised to show the respective properties to their represented buyers;

(d) the Coleraine Broker demonstrated its expertise in the industrial real estate market in the GTA-West area (i.e. the location of the Coleraine Property);

(e) the Dunlop Broker demonstrated a strong local presence in and knowledge of the Fort Erie area (i.e. the location of the Dunlop Property); and

(f) the Applicant was supportive of each of the Brokers being selected.

[18] First Report at para. 121.

The Broker Listing Agreements

20. The Receiver has engaged the Coleraine Broker and the Dunlop Broker pursuant to broker listing agreements (together, the "**Broker Listing Agreements**").[19]

21. The key terms of the Broker Listing Agreements are substantially the same (unless otherwise noted) and are summarized in paragraph 124 of the First Report).[20]

Activities of the Receiver

22. Paragraph 126 of the First Report includes a detailed summary of the Receiver's activities since the date of the Receivership Order.

PART III – ISSUES

23. The Receiver's motion raises the following main legal issues:

(a) Should the Court require Mr. Randhawa and Mr. Hunt to return the Missing Trucks to the Coleraine Property?

(b) Should the Court require Mr. Randhawa to repay the Stolen Trans Globe Funds to the Receiver?

(c) Should the Court require A. Randhawa and Ms. Randhawa to return the Stolen Compass Rose Funds to the Receiver?

(d) Should the Court require Toronto Truck to return Unit 1120 to the Receiver, or to make a payment to the Receiver in lieu thereof?

[19] First Report at para. 123; Appendices "R" and "S" to the First Report.
[20] First Report at para. 124.

(e) Should the Court grant the Receiver investigative powers available to a trustee in bankruptcy under the BIA?

(f) Should the Court approve the Auction and the sale transactions resulting therefrom?

(g) Should the Court approve the Broker Listing Agreements?

(h) Should the Court approve the Receiver's First Report, and the activities described therein?

(i) Is it appropriate for the Court to seal Confidential Appendix "A" pending completion of the Auction?

PART IV – LAW AND ARGUMENT

Mr. Randhawa, Mr. Hunt and Toronto Truck Should be Required to Return the Missing Trucks and Unit 1120

24. As detailed in the First Report, there are 8 stolen trucks that continue to be unaccounted for.[21]

25. The First Report provides compelling evidence that Mr. Randhawa and Mr. Hunt orchestrated the removal of at least 24 trucks from the Coleraine Property immediately following the Receiver's notice of intent to wind down the Business.[22]

26. It appears that Mr. Randhawa, with the assistance of Mr. Hunt, removed 24 of the Debtors' trucks from the Coleraine Property immediately following the Receiver communicating to Mr. Randhawa that it intended to wind down the Business. Mr. Hunt then intentionally misled the

[21] First Report at para. 100.
[22] First Report at paras. 41-47, 51-68, 83.

Receiver in order to delay the Receiver's discovery of these actions, while Mr. Randhawa continued to use the Stolen Trucks to carry on business for R Bros Linehaul, a trucking company whose directors include Gurjeet Singh Randhawa ("**G. Randhawa**"), and, it appears, Ms. Randhawa. After being informed that the Receiver had become aware of the removal of the trucks, Mr. Randhawa appears to have directed 16 of the Stolen Trucks to Toronto Truck.[23]

27. Despite photographic and written confirmation that Unit 1120 was present at Toronto Trucks' lot, it has not been returned, and Toronto Truck has since refused to disclose its whereabouts.[24]

28. The Receiver respectfully requests that the Court order (a) Mr. Randhawa and Mr. Hunt to immediately deliver up possession of the Missing Trucks to the Receiver at the Coleraine Property; and (b) Toronto Truck to deliver up possession of Unit 1120 forthwith, or alternatively, to make payment in lieu thereof to the Receiver.

Mr. Randhawa Should be Required to Repay the Stolen Trans Globe Funds

29. On February 3, 2025—the day the Receiver informed Mr. Randhawa of its decision to wind-down the Business—Mr. Randhawa submitted a carrier payment information form to J.B. Hunt, the Debtors' largest customer, directing payments owed to Trans Globe to a previously undisclosed account held by Trans Globe Warehousing**,** an inactive and dissolved company tied to Mr. Randhawa and Ms. Randhawa.[25]

[23] First Report at para. 82-83.
[24] First Report at para. 78-80, 83; Appendices "I", "J", "K" and "L" to the First Report.
[25] First Report at para. 87; Appendix "M" to the First Report.

30. The Receiver has accounted for only $74,613.00 of approximately $337,774.56 in payments issued by J.B. Hunt in respect of Trans Globe receivables, leaving $263,161.56 unaccounted for and improperly diverted. The Stolen Trans Globe Funds appear to have been paid to a Bank of America account held by Trans Globe Warehousing.[26]

31. These actions were taken without authority, concealed from the Receiver, and appear to have been deliberately orchestrated to prevent the Receiver from accessing these funds.

32. The Receiver respectfully requests that the Court order Mr. Randhawa to immediately return the Stolen Trans Globe Funds to the Receiver.

A. Randhawa and Ms. Randhawa Should be Required to Return the Stolen Compass Rose Funds

33. It appears that the Debtors intentionally withheld information from the Receiver regarding the existence of a bank account in the name of Compass Rose, held with National Bank of Canada, in order to allow Ms. Randhawa to divert approximately $106,300.00 of funds belonging to Compass Rose to her son, A. Randhawa.[27]

34. The Receiver respectfully requests that the Court order A. Randhawa and/or Ms. Randhawa to immediately return the Stolen Compass Rose Funds to the Receiver.

[26] First Report at para. 89.
[27] Second Report at paras. 91-93.

The Receiver Should be Granted Investigative Powers Available to a Trustee in Bankruptcy Under the BIA

35. The Court has authority and has previously empowered and authorized a receiver to file an assignment in bankruptcy on behalf of debtor corporations to provide the receiver enhanced powers available to a trustee in bankruptcy.[28]

36. The Court has granted such authority to allow a receiver to avail itself of the enhanced powers and remedies available to a trustee in bankruptcy given the debtor's lack of cooperation and misrepresentations.[29] A receiver is not required to exhaust its remedies under other legislation before resorting to a bankruptcy assignment as such steps could prove to be needlessly inefficient and expensive.[30]

37. Given the conduct of the Randhawas, Mr. Hunt and Toronto Truck, the Receiver has serious concerns with respect to the dissipation of the Property. As detailed herein, the Receiver's efforts to realize upon the Property has been actively, directly and severely hampered by the actions of the aforesaid parties, including coordinated efforts to steal and/or misappropriate the Debtors' vehicles, accounts receivable and cash. These parties have failed to respond to the Receiver's requests for information as required under the Receivership Order.[31]

38. In order to address these issues, the Receiver is seeking an order from the Court providing the Receiver with investigative powers available to a trustee in bankruptcy under the BIA. The

[28] *RBC v Gustin*, 2019 ONSC 5370 at para 15 [*Gustin*]; *Bank of Montreal v Owen Sound Golf and Country Club*, 2012 ONSC 557 at para 7.
[29] *Gustin*, *supra* note 27 at para 8.
[30] *Ibid* at para 17
[31] First Report at para. 103.

Receiver requires these powers to (if necessary), among other things, conduct examinations and compel production of documents.[32]

39. The Receiver notes that paragraph 3(o) of the Appointment Order empowers and authorizes the Receiver to make an assignment into bankruptcy on behalf of any of the Debtors. The Receiver is seeking the aforementioned relief to avoid the costs and administrative requirements of bankruptcy proceedings which would otherwise, at this time, be for the sole purpose of providing the Receiver with the Investigative Powers.

40. Accordingly, the Receiver respectfully requests that this Court issue an order providing the Receiver with the Investigative Powers.

The Auction and Transactions Resulting Therefrom Should Be Approved

41. The following criteria are to be considered by the Court when asked to approve a sale of assets in a receivership context:[33]

(a) whether the receiver has made a sufficient effort to get the best price and has not acted improvidently;

(b) the interests of the parties;

(c) the efficacy and integrity of the process by which offers are obtained; and

(d) whether there has been unfairness in the working out of the process.

[32] First Report at para. 104.
[33] *Royal Bank of Canada v Soundair Corp* (1991), 4 OR (3d) 1 at para 16 (ONCA).

42. The Receiver submits that the *Soundair* test is readily met on the facts of this case. It is respectfully submitted that the Court should approve the Auction and the transactions resulting therefrom for the following reasons:[34]

(a) prior to entering into the Auction Agreement, the Receiver:

(i) conducted the Auctioneer Solicitation Process; and

(ii) consulted with the Applicant, who is the primary economic stakeholder with respect to the Auction, and who is supportive of the Auctioneer and the Auction Agreement;

(b) the Auction will involve a broad canvassing of the market to ensure that the Auction Vehicles are appropriately advertised to maximize the number of bidders and bids on same;

(c) the Auction Agreement contemplates a net minimum guarantee structure which: (i) provides the Applicant with some certainty regarding the minimum net proceeds resulting from the Auction: and (ii) provides for the Receiver to share in any sale proceeds in excess of the net minimum guarantee, while incentivising the Auctioneer to maximize sale proceeds from the Auction Vehicles;

(d) the Auction Agreement contemplates an auction date of July 10, 2025, which minimizes the continuing depreciation of the Auction Vehicles;

[34] First Report at para. 115.

(e) the Auction contemplates the sale of the Auction Vehicles on an "as is, where is" basis;

(f) the Auction Agreement contemplates the vesting all of the Debtors' and the Receiver's right, title and interest in and to the Purchased Assets in each Purchaser, free and clear of all encumbrances, with any such encumbrances attaching to the net proceeds of sale in the same order and priority as they existed in the Purchased Assets is necessary to give effect to each transaction resulting from the Auction, which is necessary to provide each Purchaser with certainty of ownership;

(g) the Auction Agreement allows the Receiver to add additional vehicles to the Auction Assets in the event that the Receiver retrieves any of the Missing Trucks or the Missing Trailers prior to the date of the Auction; and

(h) the Auction Agreement provides the Receiver with oversight and control of the Auction by way of consultation rights.

The Activities of the Receiver Should Be Approved

43. The Court has the inherent jurisdiction to review and approve the activities of a court-appointed receiver as set out in the receiver's reports.[35]

44. It is common practice for court officers to bring motions to seek approval of their reports and the activities set out therein. Court approval, among other things, allows the court officer to bring its activities before the court and presents an opportunity to address concerns of stakeholders,

[35] *Bank of America Canada v Willann Investments Ltd*, 1996 CanLII 2782 (ONCA)

while enabling the Court to satisfy itself that the court officer's activities have been conducted in a prudent and diligent matter.[36]

45. The activities of the Receiver described in the First Report were all necessary and undertaken in good faith pursuant to the Receiver's duties and powers set out in the Appointment Order.

46. The Receiver therefore respectfully submits that the First Report and the activities described therein should be approved.

The Sealing Order Should Be Granted

47. The Receiver seeks an order sealing Confidential Appendix "A".

48. The Supreme Court of Canada has held that a sealing order may be granted:

(a) where it is necessary to prevent a serious risk to an important interest, including a commercial interest, in the context of litigation because reasonably alternative measures will not prevent the risk; and

(b) where the salutary effects of the confidentiality outweigh its deleterious effects, including the effects on the right to free expression, which includes public interest in open and accessible court proceedings.[37]

49. This Court has applied the *Sierra* test in court-supervised sale proceedings to ensure that competitors or potential bidders do not gain an advantage if the sale transaction does not close. In

[36] *Triple-I Capital Partners Limited v 12411300 Canada Inc*, 2023 ONSC 3400 at paras 65-66, citing *Target Canada Co (Re)*, 2015 ONSC 7574 at paras 2, 22-23.
[37] *Sierra Club of Canada v Canada (Minister of Finance)*, 2002 SCC 41 at para 45.

GE Canada Real Estate Financing Business Property Co. v. 1262354 Ontario Inc., this Court held that the "integrity of the sales process necessitates keeping all bids confidential until a final sale of the assets has taken place."[38]

50. In *Sherman Estate v. Donovan*, the Supreme Court of Canada held that a person asking a court to exercise discretion in limiting the 'open court' presumption must establish that:[39]

(a) court openness poses a serious risk to public interest;

(b) the order sought is necessary to prevent the risk to the identified interest because reasonably alternative measures will not prevent this risk; and

(c) as a matter of proportionality, the benefits of the order outweigh its negative effects.

51. The Receiver is of the view that the disclosure of the information contained in Confidential Appendix "A" at this time would pose a material risk to the objective of maximizing recoveries in this proceeding, including because, in the event that the Auction is not completed as contemplated, the Auction Vehicles could be subject to further marketing and in such case, the Receiver's ability to obtain the highest and best value for the Auction Vehicles would be materially compromised should the information contained in Confidential Appendix "A" be publicly available.

52. Sealing the information contained in Confidential Appendix "A" until the Auction closes is necessary and appropriate to prevent a serious risk to the interests of the Debtor's creditors and other stakeholders.

[38] *GE Canada Real Estate Financing Business Property Company v 1262354 Ontario Inc*, 2014 ONSC 1173 at para 34.
[39] *Sherman Estate v Donovan*, 2021 SCC 25 at para 38.

PART V – RELIEF SOUGHT

53. For the reasons set out above, the Receiver respectfully recommends and requests that the Court grant the orders sought on this motion.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 10th day of June, 2025.

I certify of the authenticity of every authority cited in the factum.

CHAITONS LLP
Lawyers for the Receiver, KPMG Inc.

SCHEDULE "A"

LIST OF AUTHORITIES

Title	Pinpoints
RBC v Gustin, 2019 ONSC 5370	8, 15, 17
Bank of Montreal v Owen Sound Golf and Country Club, 2012 ONSC 557	7
Royal Bank of Canada v Soundair Corp, 4 OR (3d) 1	16
Bank of America Canada v Willann Investments Ltd, 1996 CanLII 2782	
Triple-I Capital Partners Limited v 12411300 Canada Inc, 2023 ONSC 3400	65-66
Target Canada Co (Re), 2015 ONSC 7574	2, 22-23
Sierra Club of Canada v Canada (Minister of Finance), 2002 SCC 41	45
GE Canada Real Estate Financing Business Property Company v 1262354 Ontario Inc, 2014 ONSC 1173	34
Sherman Estate v Donovan, 2021 SCC 25	38

SCHEDULE "B"

RELEVANT STATUTES

N/A

ROYAL BANK OF CANADA	**-AND-**	**TRANS GLOBE LOGISTICS INC., POLESTAR HOLDINGS LTD. and COMPASS ROSE INTERNATIONAL TRANSPORTATION INC.**
Applicant		**Respondents**

Court File No. CV-24-00003312-0000

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SCHEDULE "B"

LIST OF AUTHORITIES

Tab	Title	Pinpoints
Case law		
1	*Davies v Clarington (Municipality) et al*, 2009 ONCA 722	28-29
2	*Net Connect Installation Inc v Mobile Zone Inc*, 2017 ONCA 766	9
3	*Return on Innovation v Gandi Innovations*, 2011 ONSC 7465	22
4	*Castillo v Xela Enterprises Ltd*, 2022 ONSC 6696	12, 23
5	*CAMT Speed-I-Com Inc v Pace Savings & Credit Union Ltd*, 2006 CanLII 1765	12, 14
6	*RII Holdings Inc (Re)*, 2008 CanLII 16469	7, 9, 15, 17
7	The Sanderson-Harold Company Limited (Re), Endorsement of Justice Osborne, Ontario Superior Court of Justice (Commercial List), September 29, 2023, Court File No. BK-22-02835198-0031 (unreported)	31, 34
8	Canadian Western Bank v Canadian Motor Freight Ltd. and 2568403 Ontario Inc., CV-24-00728550-00CL (Ont Sup Ct J [Commercial List]) (13 January 2025), Black J, unreported (Endorsement)	18, 32
9	*Castillo v Xela Enterprises Ltd*, 2024 ONCA 141	89

SCHEDULE "C"

RELEVANT STATUTES

N/A

ROYAL BANK OF CANADA **-AND-** **TRANS GLOBE LOGISTICS INC., POLESTAR HOLDINGS LTD. and COMPASS ROSE INTERNATIONAL TRANSPORTATION INC.**

Applicant **Respondents**

Court File No. CV-24-00003312-0000

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