

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

THE HONOURABLE MR.) FRIDAY, THE 14TH DAY
JUSTICE W.D. BLACK) OF JUNE, 2024

B E T W E E N:

BANK OF MONTREAL

Applicant

- and -

**TRUE NORTH FREIGHT SOLUTIONS INC. and NORTH SHORE
LOGISTICS INC.**

Respondents

APPLICATION UNDER SUBSECTION 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

**APPROVAL AND VESTING ORDER
Auction Services Agreement**

THIS MOTION made by BDO Canada Limited (“**BDO**”) in its capacity as receiver (the “**Receiver**”) over the property, assets and undertakings (the “**Property**”) of True North Freight Solutions Inc. (“**True North**”) and North Shore Logistics Inc. (collectively, the “**Debtors**”) for an Order:

1. validating the service of the Receiver’s Notice of Motion and Motion Record;

2. approving the Pre-Filing Report of BDO Canada Limited dated May 10, 2024 (the “**Pre-Filing**”, the First Report of the Receiver dated June 11, 2024 (the “**First Report**”) and the activities of BDO in its capacity as Interim Receiver and Receiver described therein;
3. ordering Talka Credit Union (“**Talka**”) to provide certain information requested by the Receiver as particularized in the First Report;
4. authorizing the Receiver to enter into the Auction Services Agreement between Ritchie Bros. Auctioneers (Canada) Ltd. (the “**Auctioneer**”) and the Receiver (the “**Auction Agreement**”) substantially in the form attached as Appendix K to the First Report;
5. authorizing the Auctioneer to conduct the auctions referenced in and in accordance with the terms of the Auction Agreement;
6. vesting in each purchaser at such auction (each a “**Purchaser**”), upon the delivery by the Auctioneer of a bill of sale to such Purchaser, the Debtors’ and the Receiver’s right, title and interest in and to the property purchased by such respective Purchaser at the auction (in each case, the “**Purchased Assets**”), free and clear of any claims and encumbrances; and
7. transferring title in and to the assets listed at **Schedule “A”** hereto from 7927959 Canada Corp. (“**792**”) and authorizing the Receiver to sell these assets pursuant to the terms of the Auction Agreement,

was heard this day by video-conference.

ON READING the First Report and the appendices thereto, and on hearing the submissions of counsel for the Receiver and such other counsel as present at the hearing,

1. **THIS COURT ORDERS AND DECLARES** that the execution of the Auction Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Auction (as defined in the Auction Agreement).

2. **THIS COURT ORDERS AND DECLARES** that upon: (i) the Auctioneer completing a sale to a Purchaser at the Auction (as defined in the Auction Agreement) of one or more of the Equipment (as defined in the Auction Agreement) (which Purchaser, for greater certainty, may include the Auctioneer); (ii) receipt by the Auctioneer from such Purchaser of the purchase price determined at the Auction; and (iii) delivery by the Auctioneer to such Purchaser (or, in the case such Purchaser is the Auctioneer, upon delivery by the Receiver to the Auctioneer) of a bill of sale or similar evidence of purchase and sale (each, a “**Purchaser Bill of Sale**”), all the Debtors’, the Trustee’s (as defined below), and the Receiver’s right, title and interest in and to the Purchased Assets purchased by such Purchaser at the Auction and described in such Purchaser Bill of Sale shall vest absolutely in such Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”), including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the assignment in bankruptcy of the Debtors on May 6, 2024 and the appointment of BDO Canada Limited as licensed insolvency trustee (in such capacity, the “**Trustee**”) of the Debtors’ bankruptcy estate by the Office of the Superintendent of Bankruptcy; (ii) any encumbrances or charges created by the Order of The Honourable Mr. Justice Osborne made May 16, 2024 (the “**Receivership Order**”); and (iii) all charges, security

interests or claims evidenced by registrations pursuant to the Personal Property Security Act (Ontario) or any other personal property registry system, and, for greater certainty, this Court orders that all the Claims affecting or relating to such Purchased Assets are hereby expunged and discharged as against such Purchased Assets.

3. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets payable to the Receiver from the Auction shall stand in the place and stead of the Purchased Assets sold at the Auction, and that from and after the delivery of a Purchaser Bill of Sale all Claims shall attach to such net proceeds from the sale of the Purchased Assets sold at the Auction and described in such Purchaser Bill of Sale with the same priority as they had with respect to such Purchased Assets immediately prior to their sale at the Auction, as if such Purchased Assets had not been sold at the Auction and remained in the possession or control of the person having that possession or control immediately prior to their sale at the Auction.

4. **THIS COURT ORDERS** that, notwithstanding:

- a. the pendency of these proceedings;
- b. any applications for a bankruptcy order now or hereafter issued pursuant to the Bankruptcy and Insolvency Act (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and
- c. any assignment in bankruptcy made in respect of the Debtor,

the vesting of each of the Purchased Assets in its respective Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that is now or that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

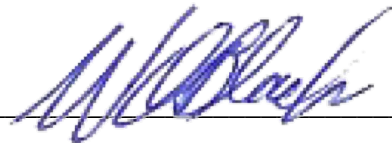
5. **THIS COURT ORDERS** that title to the assets listed at **Schedule "A"** hereto shall be and hereby is transferred from 7927959 Canada Corp. to True North and that the Receiver is

hereby authorized and directed to include these assets in the Auction Agreement and to sell these assets at the Auction pursuant to the terms of the Auction Agreement.

GENERAL

6. **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.

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any other Canadian and foreign court, tribunal, regulatory or administrative body ("**Judicial Bodies**") to give effect to this Order and to assist the Receiver and its respective agents in carrying out the terms of this Order. All Judicial 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, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its respective agents in carrying out the terms of this Order.



Schedule A

25 TRACTORS

S No	V.I.N.	Make	Model	Year
1	4V4NC9EH1GN929437	VOLVO	VVN	2016
2	4V4NC9GH97N444914	VOLVO	VVN	2007
3	4V4NC9EH0CN561357	VOLVO	VVN	2012
4	4V4NC9EH8GN947448	VOLVO	VVN	2016
5	4V4NC9EH8FN189531	VOLVO	VVN	2015
6	4V4NC9EJ5CN552401	VOLVO	VVN	2012
7	4V4NC9EH8CN555967	VOLVO	VVN	2012
8	4V4NC9EH5CN555084	VOLVO	VVN	2012
9	4V4NC9EH4EN153270	VOLVO	VVN	2014
10	4V4NC9EH6HN951127	VOLVO	VVN	2017
11	3AKJHHDR3JSJD9939	FRHT	FM2	2018
12	4V4NC9EH3AN285818	VOLVO	VVN	2010
13	3AKJHHDR7JSJM0483	FRHT	FM2	2018
14	3AKJHHDR2JSJJ4101	FRHT	FM2	2018
15	3AKJHHDR0JSJJ3982	FRHT	FM2	2018
16	3AKJHHDR7JSJM0502	FRHT	FM2	2018
17	3AKJHHDR3KSJJ3878	FRHT	FM2	2019
18	3AKJHHDR1KSJJ3877	FRHT	FM2	2019
19	4V4NC9EH9KN900891	VOLVO	VVN	2019
20	3AKJHHDR7KSKA3191	FRHT	FM2	2019
21	4V4NC9EH0KN900889	VOLVO	VVN	2019
22	3AKJHHDR7KSKA3188	FRHT	FM2	2019
23	3AKJHHDR5KSKA3187	FRHT	FM2	2019
24	3AKJHHDR2KSKC6071	FRHT	FM2	2019
25	3AKJHHDR3KSKA3186	FRHT	FM2	2019

35 Type - 53" Dry Vans

S No	V.I.N.	Make	Model	Year
1	1DW1A53288B037609	STOUGHTON	ZGP	2008
2	5V8VC5321GM600517	VANGUARD	VXP	2016
3	5V8VC5323GM600518	VANGUARD	VXP	2016
4	5V8VC5328GM600515	VANGUARD	VXP	2016
5	5V8VC532XGM600516	VANGUARD	VXP	2016
6	5V8VC5326GM601405	VANGUARD	VXP	2016
7	5V8VC5324GM601404	VANGUARD	VXP	2016
8	5V8VC5322GM601403	VANGUARD	VXP	2016
9	5V8VC532XGM601407	VANGUARD	VXP	2016
10	1DW1A5323JBA05059	STOUGHTON	ZGP	2018
11	1DW1A5321JBA05058	STOU	ZGP	2018
12	1DW1A5326JBA05041	STOU	ZGP	2018
13	1DW1A5321JBA05061	STOU	ZGP	2018
14	1DW1A5322JBA05022	STOU	ZGP	2018
15	1DW1A5328JBA05039	STOU	ZGP	2018
16	1DW1A532XJBA05043	STOU	ZGP	2018
17	1DW1A5325JBA05046	STOU	ZGP	2018
18	2DM421A49HB153301	DI-MOND	TRA	2017
19	2DM421A40HB153302	DI-MOND	TRA	2017
20	2DM421A46HB153305	DI-MOND		2017
21	2DM421A42HB153303	DIMOND	TRA	2017
22	1DW1A5328JS778719	STOUGHTON	ZGP	2018
23	1DW1A5324JBA05037	STOUGHTON	ZGP	2018
24	1DW1A5328JBA05056	STOUGHTON	ZGP	2018
25	1DW1A5329JBA05051	STOUGHTON	ZGP	2018
26	1DW1A5320JBA05052	STOUGHTON	ZGP	2018
27	1DW1A5328JBA05025	STOUGHTON	ZGP	2018
28	1DW1A5325JBA05015	STOUGHTON	ZGP	2018
29	1DW1A5326JBA05055	STOUGHTON	ZGP	2018
30	1DW1A5320JBA05049	STOUGHTON	ZGP	2018
31	5V8VC5329HM710507	VANGUARD	VXP	2017
32	527SR5323JM012607	CIMC	COO	2018
33	527SR532XJM012071	CIMC	COO	2018
34	527SR5325JM012074	CIMC	COO	2018
35	527SR5320JM012077	CIMC	COO	2018

1UYVS2532EM903816 UTIL 14
 1UYVS2533GM380910 UTIL 16

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Court File No. CV-24-719689-00CL

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

PROCEEDING COMMENCED AT
TORONTO

**APPROVAL AND VESTING ORDER
(Auction Services Agreement)
(June 14, 2024)**

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