

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE
JUSTICE PENNY

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MONDAY, THE 23RD
DAY OF OCTOBER, 2023

B E T W E E N:

SWINDERPAL SINGH RANDHAWA

Applicant

- and -

RANA PARTAP SINGH RANDHAWA, PROEX LOGISTICS INC.,
GURU LOGISTICS INC., 1542300 ONTARIO INC. (OPERATED AS ASR
TRANSPORTATION), 2221589 ONTARIO INC., 2435963 ONTARIO INC.,
NOOR RANDHAWA CORP., SUPERSTAR TRANSPORT LTD.,
R.S. INTERNATIONAL CARRIERS INC., SUBEET CARRIERS INC.,
SUPERSTAR LOGISTICS INC., CONTINENTAL TRUCK SERVICES INC.,
AND ASR TRANSPORTATION INC.

Respondents

**ORDER
(Assignment into Bankruptcy)**

THIS MOTION, made by KSV Restructuring Inc. in its capacity as receiver and manager (in such capacities, the “**Receiver**”) without security, of all of the assets, undertakings and property of Proex Logistics Inc. Guru Logistics Inc., 1542300 Ontario Inc. (operated as ASR Transportation), 2221589 Ontario Inc., 2435963 Ontario Inc., Noor Randhawa Corp., Superstar Transport Ltd., R.S. International Carriers Inc., Subeet Carriers Inc., Superstar Logistics Inc., Continental Truck Services Inc., and ASR Transportation Inc., (“**RGC**”) acquired for, or used in relation to a business carried on by RGC, for an Order among other things, (a) approving the

Report of the Proposed Receiver dated January 28, 2021, the Supplement to the First Report dated May 31, 2021, the Supplement to the Fourth Report dated September 13, 2021, the Eighth Report dated December 19, 2022 and the Ninth Report dated October 16, 2023 (the “**Ninth Report**”) of the Receiver and the activities of the Receiver as described therein (collectively, the “**Reports**”); (b) approving the fees and disbursements of the Receiver and its counsel as described in the affidavits of Noah Goldstein sworn October 16, 2023 and John Picone sworn October 16, 2023 (the “**Fee Affidavits**”); (c) authorizing the Receiver to make a distribution to the New Millennium Tire Centre (1519950 Ontario Inc.), on account of its secured claim; (d) assigning a subset of RGC, Proex Logistics Inc., Guru Logistics Inc., 1542300 Ontario Inc. (operated as Asr Transportation), and 2221589 Ontario Inc. (collectively, the “**Assigned Entities**”) into bankruptcy and appointing KSV as trustee in bankruptcy; and (e) upon the filing of a termination certificate terminating these receivership proceedings, discharging KSV as Receiver of RGC and releasing KSV and its counsel, was heard by judicial videoconference via Zoom at Toronto, Ontario;

ON READING the Notice of Motion of the Receiver dated October 17, 2023, the Reports and upon hearing the submissions of counsel for the Receiver and counsel for the other parties appearing on the Participant Information Form; and no one else appearing although duly served as appears from the affidavit of service of Stephanie Fernandes sworn October 17, 2023, filed.

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of this motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that any capitalized term used and not defined herein shall have the meaning ascribed thereto in the Ninth Report.

APPROVAL OF ACTIVITIES AND FEES

3. **THIS COURT ORDERS AND DECLARES** that the Report of the Proposed Receiver dated January 28, 2021, the Supplement to the First Report dated May 31, 2021, the Supplement to the Fourth Report dated September 13, 2021, the Eighth Report dated December 19, 2022 and the Ninth Report dated October 16, 2023, and the activities of the Receiver as set out therein be and are hereby approved, provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

4. **THIS COURT ORDERS AND DECLARES** that the fees and disbursements of the Receiver and its counsel as set out in the Fee Affidavits be and are hereby approved.

5. **THIS COURT ORDERS** that the anticipated further fees and disbursements of the Receiver and its counsel in connection with the completion by the Receiver of its remaining duties and administration of the Receivership proceedings, estimated not to exceed \$75,000 (inclusive of HST) (the “**Remaining Fees and Disbursements**”) as described in the Ninth Report be and are hereby approved, and that the Receiver and its counsel shall not be required to pass their accounts in respect of any further activities in connection with the administration of the receivership proceedings, provided, however, that if the further fees and disbursements of the Receiver and its counsel in connection with the completion by the Receiver of its remaining duties and administration of the Receivership proceedings exceed the above estimate, the Receiver shall return to Court to seek approval to pay any such amounts in excess of the Remaining Fees and Disbursements pursuant to a further Order of the Court.

DISTRIBUTION

6. **THIS COURT ORDERS** that the Receiver is hereby authorized, without further order of this Court, to make a distribution to New Millennium Tire Centre (1519950 Ontario Inc.) from funds held by the Receiver in payment of the Secured Obligations (as defined in the Ninth Report) (the “**Distribution**”) in an amount not to exceed the amount owing by the applicable RGC entity under the Secured Obligations.

7. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to take all reasonably necessary steps and actions to effect the Distribution in accordance with the provisions of this Order, and shall not incur any liability as a result of making the Distribution.

8. **THIS COURT ORDERS** that any distribution in accordance with this Order shall be permanent and indefeasible payments of the Secured Obligations.

9. **THIS COURT ORDERS** that, notwithstanding: (a) the pendency of these receivership proceedings; (b) any application for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (the “**BIA**”) or other applicable legislation in respect of RGC and any bankruptcy order issued pursuant to any such applications; (c) any assignment in bankruptcy made in respect of RGC; and (d) any provisions of any federal or provincial legislation, the Distributions shall be made free and clear of all encumbrances (including the charges set out in the Amended Receivership Order (the “**Charges**”)) and shall be binding on any trustee in bankruptcy that may be appointed in respect of RGC and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

ASSIGNMENT INTO BANKRUPTCY

10. **THIS COURT ORDERS AND DECLARES** that the Receiver is authorized to cause the Assigned Entities to be assigned into bankruptcy in accordance with the BIA and that KSV is authorized and empowered to act as trustee in bankruptcy of the Assigned Entities.

APPOINTMENT OF TRUSTEE IN BANKRUPTCY

11. **THIS COURT ORDERS** that, upon KSV's appointment as licensed insolvency trustee for the Assigned Entities (in such capacity, the "**Trustee**"), the Trustee may administer the bankruptcy estates of the Assigned Entities as follows:

- (a) a single court file number and title of proceeding of "In the Matter of the Bankruptcy of Randhawa Group of Companies";
- (b) the Trustee is authorized to administer the bankrupt estates of the Assigned Entities as if such estates were a single bankrupt estate for the purpose of carrying out its administrative duties and responsibilities as trustee under the BIA with respect to the administration of bankrupt estates generally, including without limitation as follows:
 - (i) the Trustee is authorized to send notice of the first meeting of creditors (the "**Notice**") in the manner prescribed by section 102 of the BIA by sending the Notice together with directions to download documents to accompany the notice set out in section 102(2) of the BIA (the "**Forms**");
 - (ii) meetings of creditors and inspectors in the bankrupt estates of the Assigned Entities may be convened through one combined advertisement

and conducted jointly provided that the results of any creditors vote shall be separately tabulated for each such bankrupt estate;

- (iii) the Trustee is authorized to use a consolidated form of proof of claim that directs creditors to identify the bankrupt estate in which a claim is made for voting and for distribution purposes;
- (iv) the Trustee is authorized to maintain a consolidated bank account with respect to the Assigned Entities' respective bankruptcy estates;
- (v) the Trustee is authorized to issue consolidated reports in respect of the bankruptcy estates of the Assigned Entities;
- (vi) the Trustee is authorized to perform a consolidated making, filing, advertising and distribution of all filings and notices in the bankrupt estates of the Assigned Entities required under the BIA; and
- (vii) a single group of inspectors shall be the inspectors for the consolidated bankruptcy estates of the Assigned Entities.

12. **THIS COURT ORDERS** that this procedural consolidation is not a substantive consolidation of the bankrupt estates of the Assigned Entities and will automatically terminate if the Trustee is replaced as licensed insolvency trustee of any, but not all, of the estates of the Assigned Entities.

13. **THIS COURT ORDERS** that any distributions from the Assigned Entities to Rana Partap Singh Randhawa (if any) and to Swinderpal Singh Randhawa shall account for the allocations contemplated in the endorsement of The Honourable Justice Steele dated March 12, 2023. If

those allocations cannot be determined without the Court's direction, they shall be brought to the attention of The Honourable Justice Steele in the manner contemplated at paragraph 30 of the endorsement.

14. **THIS COURT ORDERS** that after payment of the amounts set out in paragraphs 5 and 6 above and the fees and expenses of the Receiver and its counsel, the Receiver is authorized and directed to pay to the Trustee all remaining funds of the Assigned Entities.

GENERAL

15. **THIS COURT ORDERS** that nothing in this Order derogates from any rights that the Receiver or Trustee may have pursuant to the applicable provisions of the BIA or applicable legislation.

16. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or any other jurisdiction 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 and to assist the Receiver and its agents in carrying out the terms of this Order.

17. **THIS COURT ORDERS** that this Order is effective from today's date and it is made enforceable without any need for entry or filing.



SWINDERPAL SINGH RANDHAWA
Applicant

-and-

RANA PARTAP SINGH RANDHAWA et al.
Respondents

Court File No. CV-18-593636-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**ORDER
(ASSIGNMENT INTO BANKRUPTCY)**

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Receiver