

Court of Appeal File No: C66871
Court File Nos. 35-2395487 and 35-2395481

COURT OF APPEAL FOR ONTARIO

IN THE MATTER OF NOTICES OF INTENTION TO MAKE A PROPOSAL OF
1732427 ONTARIO INC. AND 1787930 ONTARIO INC. BOTH OF THE CITY
OF ST. THOMAS, IN THE PROVINCE OF ONTARIO

**EXHIBIT BOOK OF THE APPELLANT
TRANSIT PETROLEUM INC.**

VOLUME 1 OF 2

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Petroleum Inc.

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COURT OF APPEAL FOR ONTARIO

IN THE MATTER OF NOTICES OF INTENTION TO MAKE A PROPOSAL OF
1732427 ONTARIO INC. AND 1787930 ONTARIO INC. BOTH OF THE CITY
OF ST. THOMAS, IN THE PROVINCE OF ONTARIO

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TAB

“1”

Court File Numbers: 35-2395487 and 35-2395481
Estate File Numbers: 35-2395487 and 35-2395481

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
1732427 ONTARIO INC. AND 1787930 ONTARIO INC. BOTH OF THE CITY OF ST.
THOMAS, IN THE PROVINCE OF ONTARIO

AFFIDAVIT
(sworn September 18, 2018)

I, Nathan McDaniel of the Town of Aylmer, in the Province of Ontario, **MAKE OATH
AND SAY AS FOLLOWS:**

1. I am the Financial Controller for 1787930 Ontario Inc. ("178") and as such have personal knowledge of the matters hereinafter deposed to. Where my knowledge is stated to be on information and belief, I verily believe such information to be true.

2. 178 entered into a contract with Transit Petroleum a division of Hogg Fuel and Supply Ltd. ("Hogg") to provide fuel for 178's fleet of trucks. 178 set up a pre-authorized payment system to pay Hogg's account.

3. On July 2, 2018, 178 filed a Notice of Intention to File a Proposal (the "NOI") to its creditors under the provisions of the *Bankruptcy and Insolvency Act* and has received two extensions to file a Proposal until October 12, 2018. Annexed hereto and marked as **Exhibit "A"** to this my affidavit is a true copy of the Notice of Intention to File a Proposal of 178. Annexed hereto and marked as **Exhibit "B"** are true copies of the Order for Extension dated July 31, 2018, and the Order for Extension dated September 11, 2018.

4. It is my understanding and belief based on discussions with our lawyer, Bruce A. Simpson that a result of the issuance of the NOI, all of 178's creditors were stayed from any recovery against 178's property for pre-NOI debts.

5. I personally advised Monique Paul, the Credit Analyst at Hogg that 178 had filed a NOI, that 178 was not permitted by law to pay accounts which are owed for fuel supplied prior to July 2, 2018, and that 178 was prepared to pay for fuel supplied following the NOI.

6. I contacted our financial institution and advised them to stop the pre-authorized payment system to Hogg, but they were unable or unwilling to cancel the pre-authorization immediately.

7. On or about July 5, 2018, following the issuance of the NOI, Hogg withdrew the sum of \$83,734.05 from 178's account pursuant to the preauthorized payment arrangement for the supply of fuel prior to the issuance of the NOI.

8. On July 11, 2018, I made a demand for the return of \$83,734.05 to 178 by telephone. Don Poort, Chief Financial Officer of Transit Petroleum, advised me by telephone that Hogg would not return the funds. Hogg to date has refused to return the funds.

9. It is my understanding and belief that Hogg has applied the \$83,734 taken from 178 against outstanding balances owing for the period prior to the date of the NOI.

10. Following the issuance of the NOI, during the period from July 3 until July 8, 2018, Hogg supplied fuel to 178 for which it has invoiced the sum of \$50,639.03.

11. During the period from July 9 until July 15, 2018, Hogg supplied fuel and services to 178 for which it has invoiced the sum of \$33,795.25.

12. 178 has paid the sum of \$36,000 to Hogg for fuel provided on July 9, 10, and 11, 2018,

13. As a result of the above referenced financial transactions, Hogg has supplied post-NOI fuel in the aggregate amount of \$84,434.28, for which it has been paid the sum of \$36,000, leaving a balance owing to Hogg for post-NOI fuel of \$48,434.28.

14. 178 does not dispute that Hogg is entitled to the payment of \$48,434.28 for fuel provided post-NOI.

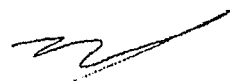
15. As a result of the foregoing transactions, Hogg's net obligation to 178 is the sum of (\$83,734.05 less \$48,434.28) \$35,299.77.

16. Hogg has refused to return any funds to 178.

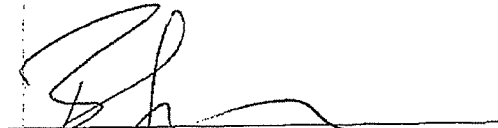
17. This affidavit is filed in support of a motion seeking the recovery of the payment in the amount of \$83,734.05 which was wrongfully recovered by Hogg for the supply of fuel pre NOI, or in the alternative, the payment of \$35,299.77, being the net amount owing as set out in Paragraph 13 above and for no improper purpose.

SWORN before me in the City of Toronto in the Province of Ontario, this 18 day of September, 2018

)
)
)
)



Nathan McDaniel



Commissioner for Taking Affidavits

TAB

“A”

This is Exhibit "A" Referred to in the
Affidavit of Nathan McDaniel
sworn before me this 18th day
of September, 2018



A commissioner, etc.

District of: Ontario
Division No. 05 - London
Court No.
Estate No.

- FORM 33 -
Notice of Intention to Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
1787930 Ontario Inc. cob as Messenger Freight Systems
of the City of St. Thomas
in the Province of Ontario

Take notice that:

1. 1787930 Ontario Inc. cob as Messenger Freight Systems, an insolvent person, state, pursuant to subsection 50.4(1) of the Bankruptcy and Insolvency Act (the "Act"), that we intend to make a proposal to our creditors.
2. MNP LTD, of 300 - 111 Richmond Street West, Toronto, ON, M5H 2G4, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against us are stayed as of the date of filing of this notice with the official receiver in our locality.

Dated at the City of Toronto in the Province of Ontario, this 2nd day of July 2018.



1787930 Ontario Inc. oa Messenger Freight Systems
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of: Ontario
 Division No. 05 - London
 Court No.
 Estate No.

• FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 1787930 Ontario Inc cdb as Messenger Freight Systems
 of the City of St. Thomas
 in the Province of Ontario

List of Creditors with claims of \$250 or more.				
Creditor	Address		Account#	Claim Amount
Active Heavy Towing Recovery Tilt	1764 Victoria Street North Kitchener ON N2B 3E5			1,158.25
Altruck Idealease	405 Laird Road Guelph ON N1G 4P7			805,931.58
Altruck International Truck Centres	405 Laird Road Guelph ON N1G 4P7			61,159.86
Baker Heavy Towing Inc.	250 Dundas St South Cambridge ON N1R 5A8			665.50
Bank of Nova Scotia	Harrison Pensa 450 Talbot Street PO Box 3237 London ON N6A 4K3			2,019,960.00
Bank of Nova Scotia	Harrison Pensa LLP 450 Talbot Street PO Box 3237 London ON N6A 4K3			42,383.98
BFI Print & Promotion Solutions	8-1031 Hubrey Road London ON N6N 1B4			4,186.65
Brent W. Swankx	225 Duncan Mill Road Don Mills ON M3B 3K9			54,977.23
Carrier Truck Centres	645 Athlone Place WOODSTOCK ON N4S 7V8			5,612.95
Checker Flag Leasing	4-5845 Luke Road Mississauga ON L4W 2K5			1,288.20
Checkers Cleaning Supply	371 Scanlan Street London ON N5W 8G9			3,360.54
COMTOW	2677 Drew Road Mississauga ON L4T 3X1			844.12
Country Collision	40133 Longhurst Line R.R. #7 St. Thomas ON N5P 3T2			694.56

District of: Ontario
 Division No. 05 - London
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 1787930 Ontario Inc ccb as Messenger Freight Systems
 of the City of St. Thomas
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
CRA - Tax - Ontario Quebec Insolvency Intake Centre	Shawinigan - Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-sud QC G9P 5H9		202,110.00
DNO Towing	1020 Talbot Street St. Thomas ON N5P 1G3		395.50
Dowler-Karr Limited Sherry Robinson	43841 Talbot Line, RR #3 St Thomas ON N5P 3S7		261.60
Duncan Mill Consultants	225 Duncan Mill Road, Suite 101 Toronto ON M3B 3K9		15,034.65
Express Employment Professionals	PO Box 9245 Postal Stn A Toronto ON M5W 3M1		1,956.31
Expressway Trucks	2943 Cedar Creek Road Ayr ON N0B 1E0		19,716.78
Forest City Staffing	80 Meg Drive London ON N6E 3T8		748,652.05
Granval	3-35 Lingard Rd Cambridge ON N1T 2H4		3,295.00
GTM Legal Services	PO Box 1413, 426 King St West Prescott ON K0E 1T0		339.00
Kal Tire	20 Enterprise Drive London ON N3N 1A7		21,715.13
KAS Personnel Services Inc.	7895 Tranmere Drive, Unit #18 Mississauga ON L5S 1V9		90,507.91
KJM Alignment Services Inc.	3 Phoebe Cres Elmira ON N3B 3B9		322.05
Liflow Limited	PO Box 8092, Stn A Toronto ON M5W 3W5.		908.44
Masterlift Inc.	2899 Plymouth Drive OAKVILLE ON L6H 8G7		315.27

District of: Ontario
 Division No. 05 - London
 Court No.
 Estate No.

-FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 1787930 Ontario Inc cbb as Messenger Freight Systems
 of the City of St. Thomas
 in the Province of Ontario

List of Creditors with claims of \$250 or more.				
Creditor	Address		Account#	Claim Amount
Perfect Pen & Stationery	PO Box 4090 Station A Toronto ON M5W 0E9			849.08
ProTrans Personnel Service	1575 Bishop Street North, Suite 400 Cambridge ON N1R 7J4			169,488.58
ProTreadz 2012	4230 Fountain St. N Cambridge ON N3H 4R7			813.35
Reacue Team	96 Hinrichs Cr Cambridge ON N1T 0A9			10,197.52
Revolution Staffing	69 Mary Street Barrie ON L4V 1T2			9,749.66
Rob Gillies Truck & Auto Service	21 Laing Blvd St. Thomas ON N5P 4B5			7,698.78
ROSS TOWING	995 POND MILLS ROAD London ON N6N 1C3			1,525.50
Safety-Kleen Canada	PO Box 15221, Station A Toronto ON M5W 1C1			1,453.86
Shareholder	150 Dennis Road London ON N6P 0B6			92,362.00
Spectrum Communications	79 Wellington Street London ON N6E 2K4			761.22
TEF Link Security Group Inc.	18 Concession St, Unit 103, Suite 2 Cambridge ON N1R 2G6			3,204.65
The Agency Employment Services	125 Wallace Avenue North Listowel ON N4W 1K8			48,999.70
The Aylmer Express	390 Talbot Street East Box 160 Aylmer ON N5H 2R9			4,123.37
Trailer Wizards	4649 Hastings Street Burnaby BC V5C 2K8			2,851.29
Transit Hogg Fuel & Supply Limited	5 Hill Street Kitchener ON N2G 4R3			96,950.58

District of: Ontario
Division No. 05 - London
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
1787930 Ontario Inc cbb as Messenger Freight Systems
of the City of St. Thomas
in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Transit Traller Limited	22217 Bloomfield Road, RR #3 Chatham ON N7M 5J3		3,257.32
Tubby's Truck & Traller	545 Hudson Drive Dorchester ON N0L 1G5		19,324.96
Twin City Graphics	350 Shirley Avenue, Unit 3 Kitchener ON N2B 2E1		592.12
Verus Valuations Ltd.	23850 River Road Maple Ridge BC V2W 1B7		333.35
Workplace Safety Insurance Board	PO Box 4115 Station A Toronto ON M5W 2V3		19,500.00
Yale Industrial Trucks Inc.	37 Intrepid Court London ON N5V 4N8		1,371.97
Total			4,592,971.86



1787930 Ontario Inc, cbb as Messenger Freight Systems
Insolvent Person

- Proposal Consent -

In the matter of the proposal of
1787930 Ontario Inc. cob as Messenger Freight Systems
of the City of St. Thomas
in the Province of Ontario

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of 1787930 Ontario Inc. cob as Messenger Freight Systems.

Dated at the City of Toronto in the Province of Ontario, this 2nd day of July 2018.

MNP LTD. - Licensed Insolvency Trustee



300 - 111 Richmond Street West
Toronto ON M5H 2G4
Phone: (416) 596-1711 Fax: (416) 323-5242



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 05 - London
Court No. 35-2395481
Estate No. 35-2395481

In the Matter of the Notice of Intention to make a
proposal of:

1787930 Ontario Inc.
Insolvent Person
MNP LTD / MNP LTÉE
Licensed Insolvency Trustee

Date of the Notice of Intention: July 02, 2018

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: July 03, 2018, 09:22

E-File/Dépôt Electronique

Official Receiver

Federal Building - London, 451 Talbot Street, Suite 303, London, Ontario, Canada, N6A5C9; (877)378-9902

Canada

TAB

“B”

This is Exhibit "B" Referred to in the
Affidavit of Nathan McDaniel
sworn before me this 18th day
of September, 2018



A commissioner, etc.

Court File No. 35-2395481



ONTARIO
SUPERIOR COURT OF JUSTICE
BANKRUPTCY AND INSOVLENCY

) TUESDAY, THE 31ST DAY

) OF JULY, 2018

IN THE MATTER OF THE PROPOSAL OF 1787930 ONTARIO INC. CARRYING ON BUSINESS AS MESSENGER FREIGHT SYSTEMS OF THE CITY OF ST. THOMAS, IN THE PROVINCE OF ONTARIO

ORDER

THIS MOTION made by 1787930 Ontario Inc. ("178") an insolvent person, for an Order: abridging the time of service of this Notice of Motion, for the administrative consolidation of the proposal of proceedings of 177 and 1732427 Ontario Inc. ("173"), the grant of an Administration Charge, and extending time for 173 to file its proposal to September 14, 2018, was heard at 80 Dundas Street, London, Ontario.

UPON READING the Notice of Motion of 178, the Affidavit of Louise Vonk (aka Louise Hiddink) sworn July 12, 2018, the First Report to the Court submitted by the Proposal Trustee MNP Ltd., and on hearing the submissions of counsel for 178 and no on appearing for the creditors.

1. **THIS COURT DECLARES** that time for service of this motion is abridged and declares that the Notice of Motion is properly returnable today and further that service of this Notice of Motion upon any other interested party is dispensed with.

2. **THIS COURT ORDERS** that the date for filing 178's proposal is extended from August 1, 2018, to September 14, 2018, and is granted under section 50.4(9) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3 (the "BIA").

ORDER ENTERED

3. **THIS COURT ORDERS** that the proposal proceedings of 178 (estate number: 35-2395481), and 173 (estate number: 35-2395487) (collectively the "Proposal Proceedings") are hereby administratively consolidated and the Proposal Proceedings are hereby authorized and

JUL 31 2018

2395481)

3273

directed to continue under the following joint title of proceedings:

Court File Numbers: 35-2395487 and 35-2395481
Estate File Numbers: 35-2395487 and 35-2395481

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
1732427 ONTARIO INC. AND 1787930 ONTARIO INC. BOTH OF THE CITY OF ST.
THOMAS, IN THE PROVINCE OF ONTARIO**

4. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee, and counsel to 178 and 173 shall be entitled to the benefit of and are hereby granted a charge (the “Administration Charge”) on the property of 178 and 173 (the “Property”) which charge shall not exceed an aggregate amount of \$75,000.

5. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charge coming into existence, notwithstanding any such failure to register, record or perfect.

6. **THIS COURT ORDERS** that the Administration Charge shall constitute a charge on the Property and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively the “Encumbrance”) in favour of any person or entity (a “Person”) except for (i) any security interest (other than as described in (ii) below) in the Property of any “secured creditor” as defined in the BIA, who did not receive notice of this Motion, and (ii) any statutory Encumbrance existing as at the date 178 filed its Notice of Intention to Make a Proposal, namely July 2, 2018, in favour of any Person which is a “secured creditor”, as defined in the BIA, in respect of (A) any amounts under the Wage Earners’ Protection Program that are subject to a priority claim under the BIA, including source deductions from wages, employer health tax, workers compensation, vacation pay and banked overtime for employees, and (B) any amounts that are subject to priority claims pursuant to Section 81.5(1) of the BIA and subsections 227(4) and (4.1) of the Income Tax Act, subsections 23(3) and (4) of the Canada Pension Plan and subsection 86(2) and (2.1) of the Employment Insurance Act.

Court File Numbers: 35-2395487 and 35-2395481
 Estate File Numbers: 35-2395487 and 35-2395481

ONTARIO
 SUPERIOR COURT OF JUSTICE
 BANKRUPTCY AND INSOVLENCY

App. Payne

) TUESDAY, THE 11TH DAY
)
) OF SEPTEMBER, 2018

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
 1732427 ONTARIO INC. AND 1787930 ONTARIO INC. BOTH OF THE CITY OF ST.
 THOMAS, IN THE PROVINCE OF ONTARIO

ORDER

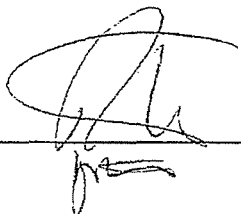
THIS MOTION made by 1732427 Ontario Inc. ("173") an insolvent person and
 1787930 Ontario Inc. ("178"), an insolvent person, for an Order abridging the time for service of
 this Notice of Motion and extending the time for 173 and 178 to file their proposals to October
 29, ²⁰¹⁸ was heard at 80 Dundas Street, London, Ontario.

UPON READING the Notice of Motion of 173 and 178, the Affidavit of Louise Vonk
 (aka Louise Hiddink) sworn August 23, 2018, the Second Report to the Court submitted by the
 Proposal Trustee MNP Ltd., and on hearing the submissions of counsel for 173 and 178 and no
 one appearing for the creditors.

1. **THIS COURT DECLARES** that time for service of this motion is abridged and declares
 that the Notice of Motion is properly returnable today and further that service of this Notice of
 Motion upon any other interested party is dispensed with.

2. **THIS COURT ORDERS** that the date for filing 173 and 178's proposals are extended
 from September 14, 2018, to October 12, 2018, and is granted under section 50.4(9) of the
Bankruptcy and Insolvency Act, R.S.C. 1985, c.B-3 (the "BIA").

3. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any party or parties likely to be affected by the Order sought or upon such other notice, if any, as this Court may order.



A handwritten signature in black ink is positioned above a horizontal line. The signature is stylized and appears to consist of several overlapping loops and strokes, possibly representing the initials 'JL' or a similar set of initials. The line below the signature is a solid horizontal line.

-
TAB

“2”

Court File Numbers: 35-2395487 and 35-2395481
Estate File Numbers: 35-2395487 and 35-2395481

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
1732427 ONTARIO INC. AND 1787930 ONTARIO INC. BOTH OF THE CITY OF ST.
THOMAS, IN THE PROVINCE OF ONTARIO

SUPPLEMENTARY AFFIDAVIT

(sworn October 15, 2018)

I, Nathan McDaniel of the Town of Aylmer, in the Province of Ontario, **MAKE OATH
AND SAY AS FOLLOWS:**

1. I am the Financial Controller for 1787930 Ontario Inc. ("178") and as such have personal knowledge of the matters hereinafter deposed to. Where my knowledge is stated to be on information and belief, I verily believe such information to be true. All dates referenced herein are for the calendar year 2018 unless otherwise stated.

2. I have reviewed the affidavits of Don Poort ("Don") ("Don's Affidavit"), Monique Paul ("Monique") ("Monique's Affidavit"), and Trevor Chambers ("Trevor") ("Trevor's Affidavit") all sworn October 4, (jointly the "Responding Affidavits") which were served in the Responding Motion Record of Transit Petroleum Inc. defined therein as "Transit" being one and the same as Hogg as defined in my affidavit sworn September 18. Since the same entity is defined differently in our respective affidavits I propose to describe it herein as "Transit/Hogg".

3. None of the affiants in the Responding Affidavits have disputed that the sum of \$83,734.05 which was submitted as a pre-authorized debit ("PAD") by Transit/Hogg on July 3, and received by Transit/Hogg on July 5, was for payment of any amount due and owing prior to July 2, the date of filing 178's Notice of Intention to File a Proposal ("NOP"). This payment is defined in the Responding Affidavits as the "Agreed Payment". This payment never was "agreed" to by 178 as set out below, but for ease of reference I shall continue to use that defined term.

4. The Responding Affidavits are materially inaccurate or incomplete in a number of material respects, the more critical of which are hereinafter set out.

5. The term "Agreed Payment" as referenced firstly in Paragraph 3 of Don's Affidavit and throughout the Responding Affidavits were never agreed to by or on behalf of 178 as hereinafter set out:

- (a) Monique's Affidavit sets out in Paragraph 5 through 7 certain negotiations which took place with respect to the pre-NOI debt obligations of 178 to Transit/Hogg;
- (b) Monique's email sequence dated June 26 to 28 included at her Tab "A" is relied upon in Monique's Paragraph 8 at page 97 to conclude that "... it was agreed" that the PAD payment of \$83,734.05 (subsequently defined in Paragraph 10 as the "Agreed Payment", would be made on July 5;
- (c) Relying on her email of June 28 at 8:55, page 102, Tab "A", she counter offered my previous email with the provision that "... we will need to change your terms to Net 7 ... we cannot keep your terms at Net 14 ...";
- (d) The email continues, recognizing this material change, that "We need the above approved no later than 3pm on Friday June 29, 2018, in order to pull the first payment on Thursday July 5, 2018" (emphasis added);
- (e) Monique's email of June 29 acknowledges at page 109 Tab "B" that "... we have not heard back from you regarding the information below." being the approval of her June 28 8:55 email, and concludes "Can you please advise.";
- (f) By email dated July 3 at 9:17 included at page 108 Tab "B" Monique again requests confirmation of approval or acceptance of the "Agreed Payment"; and
- (g) At no time did 178 approve or accept Transit/Hogg's amended terms for the payment of the "Agreed Payment" being 178's pre-NOI debt to Transit/Hogg.

6. Don's Affidavit is inaccurate or incomplete in the following respects:

- (a) Any direct or indirect reference in any of the Responding Affidavits that the "Agreed Payment received by Transit/Hogg for \$83,734.05 on July 5, was agreed to by 178, is not correct;

- (b) I did not contact Don as stated in his Paragraph 6 because my only contact person at Transit/Hogg was Monique. My request to stop payment was made to Monique on or about July 3 when Transit/Hogg resumed work following the holiday;
- (c) Don is mistaken in Paragraph 11 wherein he states that I advised that I had allowed the "Agreed Payment" to be processed. I did contact Monique and I did try unsuccessfully to stop the "Agreed Payment" by the Credit Union. At our meeting on July 9 the "Agreed Payment" had been completed one clear business day before. I did not retroactively authorize the payment for the pre-NOI debts. Don's three purported reasons for allowing the Agreed Payment are flawed:
- (i) As stated above the terms of payment were never agreed to by 178;
 - (ii) Knowledge of the NOI is unnecessary for a stay to be effective; and
 - (iii) 178 did not require Transit/Hogg to "keep afloat" as we have continued in business since July without their supply of fuel;
- (d) Don's reference in Paragraph 12 to my refusal to provide a security deposit is not accurate. I am advised by Sheldon Title ("Mr. Title") of MNP Ltd. the proposal Trustee ("MNP") that he spoke to Transit/Hogg's legal counsel Sherry Kettle ("Ms. Kettle") on July 9 and advised her that a security deposit may be an option by which we could proceed;
- (e) Although I did not request a return of the "Agreed Payment" from Don as he stated in Paragraph 14, I did request the return of the "Agreed Payment" from my Transit/Hogg contact Monique;
- (f) In the email exchange between Don and myself as referenced in his Paragraph 15, my email at Tab "B" page 22 cites specifically that "(ie. no arrears payment applications)" (emphasis added) in reference to the fact that 178 cannot pay Transit/Hogg's pre-NOI obligations;
- (g) Don's responding email of July 10 Tab "B" at page 21 references "Amounts up to and including July 2; ...". Transit/Hogg's ongoing supply of fuel was conditional on the retirement of pre-NOI debt;
- (h) At Paragraph 18 Don confirmed at 4:10 PM on July 11 that he deactivated the 178 fuel cards. These 80 fuel cards were deactivated following my demand for the

return of the "Agreed Payment" and my refusal to pay Transit/Hogg's pre-NOI debt;

- (i) The payment plan which Don references in Paragraph 20 at all times refused or did not address the return of the "Agreed Payment", and contained conditions for the further retirement of 178's pre-NOI debt;
- (j) While Don may not have communicated with MNP as stated in Paragraph 24, I am advised by Mr. Title that he has been in contact with Ms. Kettle since July 9;
- (k) Contrary to Don's Paragraph 34, the grant of a security deposit was not available to Transit/Hogg so long as they continued to retain the "Agreed Payment" and/or required the payment of any pre-NOI debt obligations;
- (l) At all times following issuance of the NOI, 178 negotiated in good faith with Transit/Hogg (and other creditors) to secure the ongoing operation of 178. Following the delivery of Monique's email of June 28, the terms of which were never accepted, 178 was left with no commercially viable option but to proceed with an NOI. The decision to proceed was made on June 29; and
- (m) To date, Transit/Hogg has been paid \$36,000 for the supply of post-NOI fuel. Transit/Hogg has invoiced the further sum of \$48,434.30. Transit/Hogg has retained the "Agreed Payment" in the amount of \$83,734.05 which was never agreed to by 178. Transit/Hogg continues to owe the sum of \$83,734.05 being the return of the "Agreed Payment" for pre-NOI obligations, following which 178 is prepared to pay the balance of the post-NOI obligations to Transit/Hogg in the amount of \$48,434.30.

7. Monique's Affidavit is inaccurate or incomplete in the following respects:

- (a) In addition to the comments made above with respect to Monique's Affidavit, she confirmed in Paragraph 10 that she did not receive 178's approval of Transit/Hogg's terms of agreement to proceed with the PAD payments including the "Agreed Payment";
- (b) Contrary to Paragraphs 12 and 14, it remains my understanding and belief that I spoke to Monique on or about July 3 wherein I requested that the "Agreed Payment" be cancelled;

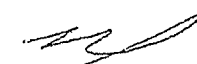
- (c) I am advised by Louise Vonk that she did not tell MNP the Proposal Trustee what to do as stated in Paragraph 20, and that she did not advise that MNP had authorized the "Agreed Payment";
 - (d) I disagree with Monique's statement in Paragraph 24 that "... [I] had allowed the PAD for the "Agreed Payment" to be processed ...". As stated previously I was unable to stop the "Agreed Payment";
 - (e) I believe that Paragraph 25 is an incomplete explanation as to why our negotiations failed. As at all times it remained a demand by Transit/Hogg that they be paid for pre-NOI debts;
 - (f) Regardless of when Monique became aware of the NOI as referenced in Paragraph 26, I did advise her that it was my understanding that pre-NOI debts could not be paid; and
 - (g) Monique's statement in Paragraph 27 that I did not request Transit/Hogg for the return of the "Agreed Payment", is disputed, as are all similar statements in the Responding Affidavits.
8. Trevor's Affidavit is inaccurate or incomplete in the following respects:
- (a) Discussions did take place as referenced in Trevor's Paragraph 4, provided that mutually acceptable terms could be concluded in a timely manner. 178 and Transit/Hogg were unable to resolve mutually agreeable terms as referenced above;
 - (b) Although the "proposed dates" for payment may have been agreed, Monique's email of June 28 at 8:55 AM is not an unqualified acceptance of my proposed terms of settlement as implied by Trevor in Paragraph 6. Transit/Hogg's amended terms of agreement required that they be "approved ..." by 178, which they were not;
 - (c) I am advised by Louise Vonk, and it is my understanding and belief that, no creditor of 178 has been paid for pre-NOI debts following the issuance of the NOI, and that 178 has not committed to pay any creditor for pre-NOI debts.

- (d) Contrary to Paragraph 15, I am advised by Louise Vonk that she did not insist that MNP allow the "Agreed Payment", notwithstanding that Transit/Hogg appeared to be an important vendor for 178 to remain in business;
- (e) Contrary to Paragraph 19, it is my recollection that the July 9 meeting ended relatively abruptly because 178 did not agree to pay Transit/Hogg's pre-NOI debts;


9. I make this affidavit in reply to the Responding Affidavits and in support of the motion seeking the recovery of the "Agreed Payment" for the pre NOI supply of fuel, or in the alternative, the return of the net amount of \$35,299.77 as set out above, and for no improper purpose.

SWORN before me in the City of
 St. Thomas in the Province of Ontario,
 this 15th day of October, 2018.

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 Nathan McDaniel



 Commissioner for Taking Affidavits

MARK COOMBS
 my commission does not expire.

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TAB

“3”

Court File Numbers: 35-2395487 and 35-2395481
Estate File Numbers: 35-2395487 and 35-2395481

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
1732427 ONTARIO INC. AND 1787930 ONTARIO INC. BOTH OF THE CITY OF ST.
THOMAS, IN THE PROVINCE OF ONTARIO

SECOND SUPPLEMENTARY AFFIDAVIT

(sworn October 31, 2018)

I, Nathan McDaniel of the Town of Aylmer, in the Province of Ontario, **MAKE OATH
AND SAY AS FOLLOWS:**

1. I am the Financial Controller for 1787930 Ontario Inc. ("178") and as such have personal knowledge of the matters hereinafter deposed to. Where my knowledge is stated to be on information and belief or documents provided, I verily believe such information to be true. All dates referenced herein are for the calendar year 2018 unless otherwise stated.
2. I have reviewed the affidavits of Monique Paul ("Monique's Affidavit"), and of Tina Thorne ("Tina's Affidavit") both sworn October 23, which were served in a "Sur-Reply Motion Record of Transit Petroleum Inc." ("Transit/Hogg") on October 23, after the final agreed date for filing materials as set out in the court ordered timetable.
3. Tina's Affidavit is her first production in this proceeding.
4. In response to Paragraphs 3 and 4 of Tina's Affidavit and Paragraphs 4, 5 and 6 of Monique's Affidavit the following comments are necessary to provide a complete and accurate explanation of what in fact took place.
5. Monique's email of June 22, included at page 105 of her October 4th affidavit in the Responding Motion Record (all page references are to this production unless otherwise stated) acknowledges that 178's account was frozen as confirmed at page 104 in my email of June 25.

At all materials times when we were discussing the payment of arrears to Transit/Hogg and the continuing supply of fuel, they were aware of 178's other financial pressures.

6. Monique's email of June 26, at 11:55 included at page 111 references the phone call of 11:33 AM which is relied upon in both Monique's Affidavit (paragraph 5) and Tina's Affidavit, (paragraph 4) in support of the proposition that I agreed to "Net 7 payment terms". I did not.

7. Monique's email at 11:55 AM references proposed payment amounts and dates, but makes no reference to the Net 7 payment terms which they now allege were agreed to during that call.

8. Monique raised the issue of changing the terms from Net 14 to Net 7 in her 8:55 AM email of June 28 at page 109, and stated that "We [Transit/Hogg] need the above approved no later than 3 pm on Friday June 29, 2018". I did not approve the change of terms.

9. As a result of 178's account being frozen, BNS served a Notice to Enforce Security. By email at 12:57 PM on June 28, Sheldon Title the Licensed Insolvency Trustee at MNP Ltd. and 178's Proposal Trustee advised 178 that counsel for BNS was "pushing us to file a NOP". Annexed hereto and marked as Exhibit "A" to this my affidavit is a true copy of the email from Sheldon Title to Bruce Simpson dated June 28.

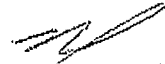
10. As of June 29 it was concluded that 178 was unable to negotiate a resolution with CRA to forbear from enforcing their Requirement To Pay ("RTP") which had resulted in the frozen account with BNS, thus compromising 178's ability to carry on normal business financial transactions. As a result, on June 29 it was resolved that 178 would file a NOI.

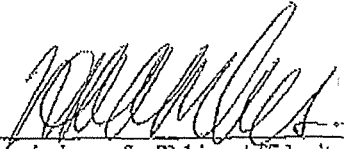
11. By internal email at 178 at 2:37 PM on July 4, I confirmed that I had requested Transit/Hogg's fuel manager Trevor Chambers to put a stay on the PAP scheduled for Thursday July 5. Annexed hereto and marked as Exhibit "B" to this my affidavit is a true copy of the email of July 4.

12. I make this affidavit in reply to Monique's Affidavit and Tina's Affidavit which were served in the "Sur-Reply Motion Record of Transit Petroleum Inc.", and for no improper purpose.

SWORN before me in the City of
St. Thomas in the Province of Ontario,
this 31st day of October, 2018.

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Nathan McDaniel

Commissioner for Taking Affidavits

MARK THOMAS COOMBES

TAB

“A”

Bruce Simpson

From: Sheldon Title <Sheldon.Title@mnp.ca>
Sent: Thursday, June 28, 2018, 12:57 PM
To: Bruce Simpson
Cc: Louise Vonk; Brent Swanick; nathan@messengerfreight.ca
Subject: Re: cra

Thanks Bruce,

I spoke with Tim again this morning. He is pushing for us to file a NOI. He wants something in writing to say what is happening before consideration is given to forbearing, but when I called him he was in the midst of preparing receivership materials.

Brent, I told him that we're now engaged in discussions with 5 parties and that we'll need 3-4 months to complete a refinancing/restructuring. He asked for Brent to submit something "substantial", but as noted above, I believe the BNS would prefer we head forward with a NOI.

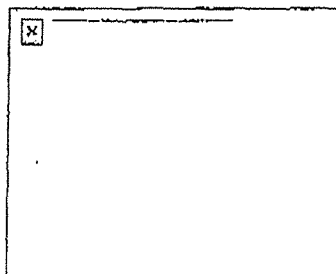
Please advise how you wish to proceed.

Louise, Nathan needs to complete the spreadsheets I sent so that we are ready to file.

Regards,
 Sheldon

Sheldon Title, CPA, CA, CIRP, LIT
SENIOR VICE-PRESIDENT

DIRECT 416.263.6945
FAX 416.323.5240
CBLL 416.573.5320
111 Richmond Street West
Suite 300
Toronto, ON
M5H 2G4
sheldon.title@mnp.ca
mnpdebt.ca



This is exhibit A.....referred to in the
 affidavit of Nathan McDaniel.....
 sworn before me, this 31st.....
 day of October.....20 18.....

 A Commissioner, etc.
 MARK THOMAS COOMBS

TAB

“B”

Bruce Simpson

From: Nathan McDaniel <nathan@messengerfreight.ca>
Sent: Wednesday, October 31, 2018 9:29 AM
To: Bruce Simpson
Subject: FW: MESSENGER FREIGHT SYSTEMS
Importance: High

is exhibit B referred to in the
 affidavit of Nathan McDaniel
 sworn before me, this 31st
 day of October 2018
 Mark Thomas Coombes
 A Commissioner, etc.
 MARK THOMAS COOMBES

From: Nathan McDaniel [mailto:nathan@messengerfreight.ca]
Sent: July 4, 2018 2:37 PM
To: 'louise@messengerfreight.ca' <louise@messengerfreight.ca>; 'Evan Wilson' <evan@messengerfreight.ca>;
 'blaine@messengerfreight.ca' <blaine@messengerfreight.ca>
Subject: FW: MESSENGER FREIGHT SYSTEMS
Importance: High

All,

I spoke to Trevor Chambers (Fuel Manager) regarding meeting tomorrow. I asked him to put a stay on the PAP scheduled for end of the week. He said he is nervous about our account. I advised that we would like to meet in person to solidify the arrangement.

We should discuss strategy prior to meeting, but I think the broad strokes should be that after much thought the painful decision to file the NOI was made on July 2. We are working with our Trustee to put MFS in a profitable position going forward. Per the law and per our Trustee, we are bound to only pay for goods and services received on/after July 2nd. ALL invoices will be paid before delivery (CBD estimate). It is worth mentioning that the NOI process is not the same as bankruptcy or receivership. As part of the NOI process, MFS is being given an opportunity to restructure the business with the objective of returning to profitability. He will follow up with me by end of day with a time for tomorrow.

Cheers,

Nathan

From: Nathan McDaniel [mailto:nathan@messengerfreight.ca]
Sent: June 29, 2018 4:05 PM
To: 'Monique Paul' <mpaul@hoggfuel.com>
Subject: RE: MESSENGER FREIGHT SYSTEMS
Importance: High

Hi Monique,

My apologies for the delay; I was pulled a several directions today as well as yesterday. Would you please call me on Tuesday when you are back in the office? I just have a few questions regarding the terms...I want to make sure I am on the same page with you.

Cheers,

Nathan

From: Monique Paul [mailto:mpaul@hoggfuel.com]
Sent: June 29, 2018 3:39 PM
To: Nathan McDaniel <nathan@messengerfreight.ca>
Subject: RE: MESSENGER FREIGHT SYSTEMS
Importance: High

Nathan,

It is almost 4pm and we have not heard back from you regarding the information below. Can you please advise?

Thanks,

Monique Paul
Credit Analyst
Hogg Fuel and Supply Ltd.
Transit Petroleum Inc.
519-579-5330 Ext 1161
mpaul@hoggfuel.com



From: Monique Paul
Sent: Thursday, June 28, 2018 8:55 AM
To: 'Nathan McDaniel'
Subject: RE: MESSENGER FREIGHT SYSTEMS
Importance: High

Good Morning Nathan,

I have discussed at length your proposal with Tina Thorne the Credit manager and Trevor Chambers the Fuel Manager and we have all agreed we will accept this proposal, with below stipulations.

July 5	\$83,734.05	(50% of the arrears amount)
July 12	regular amount plus \$27,911.35	(16.67% of the arrears amount)
July 19	regular amount plus \$27,911.35	(16.67% of the arrears amount)
July 26	regular amount plus \$27,911.35	(16.67% of the arrears amount)

Currently terms are Net 14 with Monday PAD making your invoices 15 days old, if we agree to move your PAD to Thursday we will need to change your terms to Net 7 making your invoices 11 days old, we cannot keep your terms at Net 14 and pull on Thursday as that makes the invoices 19 days old.

We have continuously gone above and beyond to work with Messenger on their financial issues, but going forward we need to be reassured that we will no longer have any problems going forward which is why we are agreeing to the Thursday PAD.

We have already had to pay the fuel purchased and used by Messenger, as our terms are Net 7 with our supplier.

We need to be clear that this will be the last time we can split payments due to the inability to pay your fuel purchases on the agreed upon pull date.

We need the above approved no later than 3pm on Friday June 29, 2018, in order to pull the first payment on Thursday July 5th, 2018.

Thanks,

Monique Paul
Credit Analyst
Hogg Fuel and Supply Ltd.
Transit Petroleum Inc.
519-579-5330 Ext 1161
mpaul@hoggfuel.com



From: Nathan McDaniel [mailto:nathan@messengerfreight.ca]
Sent: Wednesday, June 27, 2018 5:40 PM
To: Monique Paul
Subject: RE: MESSENGER FREIGHT SYSTEMS

Good afternoon Monique,

Much thanks for the patience and support that both you and Tina have demonstrated; It means a lot to me. Attached is a scan of a voided cheque from our new checking account; please use this banking information for future billings. With regards to the below-mentioned proposal, I would ask that we adjust it slightly to be more in line with our original conversation. Would you please let me know if my proposal is acceptable?

July 5	\$83,734.05	(50% of the arrears amount)
July 12	regular amount plus \$27,911.35	(16.67% of the arrears amount)
July 19	regular amount plus \$27,911.35	(16.67% of the arrears amount)
July 26	regular amount plus \$27,911.35	(16.67% of the arrears amount)

With this payment plan, we would effectively have the arrears amount paid up by EOM July.

Cheers,

Nathan

Nathan McDaniel
Financial Controller
Messenger Freight System
150 Dennis Road

P.O. Box 100
St. Thomas, ON N5P 0B6
Bus: 519-631-9604 x107
Fax: 519-631-1135
<http://www.messengerfreight.ca>



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From: Monique Paul [<mailto:mpaul@hoggfuel.com>]
Sent: June 26, 2018 11:55 AM
To: Nathan McDaniel <nathan@messengerfreight.ca>
Subject: RE: MESSENGER FREIGHT SYSTEMS

Good Afternoon Nathan,

Thank you for speaking with Tina and myself

We are willing to change the PAD to Thursdays from Mondays with the below proposal on getting the account current.

Thursday July 5, 2018 \$111,645.40
Thursday July 12, 2018 \$55,093.51 + \$27,911.35 = \$83,004.86
Thursday July 19, 2018 regular amount owing + \$27,911.35 (total unknown at this time)
This will then bring your account current.

Thanks,

Monique Paul
Credit Analyst
Hogg Fuel and Supply Ltd.
Transit Petroleum Inc.
519-579-5330 Ext 1161
mpaul@hoggfuel.com



From: Nathan McDaniel [<mailto:nathan@messengerfreight.ca>]
Sent: Monday, June 25, 2018 3:07 PM
To: Monique Paul
Subject: RE: MESSENGER FREIGHT SYSTEMS

Good afternoon Monique,

Thank you for making the time to talk last week. As discussed it was a very challenging week with the compromised account and frozen status. We thoroughly appreciate your patience and understanding. I should have the new banking details ready to relay by middle of this week. Regarding payments, would it be possible to move our PAD date to Friday in lieu of Monday? I am seeing through analysis of Max's cash flow projections that it is a challenge allocating amounts as such on Monday.

Cheers,

Nathan

Nathan McDaniel
Financial Controller
Messenger Freight System
150 Dennis Road
P.O. Box 100
St. Thomas, ON N5P 0B6
Bus: 519-631-9604 x107
Fax: 519-631-1135
<http://www.messengerfreight.ca>



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From: Monique Paul [<mailto:mpaul@hogefuel.com>]
Sent: June 22, 2018 10:36 AM
To: nathan@messengerfreight.ca
Subject: MESSENGER FREIGHT SYSTEMS
Importance: High

Nathan,

As per our conversation we have received Monday June 18th, 2018 PAD back as Account Frozen
 Account # 96246010 \$9,542.23
 Account # 96242510 \$49,590.24
 Total \$59,132.45

We are also holding this week's PAD Monday June 25th, 2018
 Account # 96246010 \$8,976.19
 Account # 96242510 \$47,579.43
 Total \$56,555.62
 Leaving us in arrears of two weeks for \$115,688.07

Monday July 2, 2018
 Account # 96246010 \$10,707.65
 Account # 96242510 \$41,072.37
 Total \$51,780.02

Total owing as of Monday July 2, 2018 \$51,780.02 + \$115,688.07= \$167,468.09

Below is how you are proposing to pay this
 Monday July 2, 2018 \$83,734.05
 Monday July 9, 2018 regular amount owing + \$27,911.35
 Monday July 16, 2018 regular amount owing + \$27,911.35
 Monday July 23, 2018 regular amount owing + \$27,911.35

Please confirm this is what you would like us to do and I will go and talk to the fuel manager and see if he will approve this option or not.

I have also attached a new PAD form for you to fill out with the new banking information

Thanks,

Monique Paul
 Credit Analyst
 Hogg Fuel and Supply Ltd.
 Transit Petroleum Inc.
 519-579-5330 Ext 1161
mpaul@hoggfuel.com



-
TAB

“4”

Court File Nos. 35-2395487 and 35-2395481
Estates File Nos. 35-2395487 and 35-2395481

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF NOTICES OF INTENTION TO MAKE A PROPOSAL
OF 1732427 ONTARIO INC. AND 1787930 ONTARIO INC.
BOTH OF THE CITY OF ST. THOMAS, IN THE PROVINCE OF ONTARIO

AFFIDAVIT OF DON POORT
(Sworn October 4, 2018)

I, Don Poort of the City of Cambridge, in the Regional Municipality of Waterloo, MAKE OATH AND SAY:

1. I am the Chief Financial Officer at Transit Petroleum Inc. ("Transit") and, as such, have knowledge of the matters to which I depose. Where I do not possess personal knowledge, I have stated the source of my information in all such cases and do verily believe same to be true.

2. Transit supplied petroleum products to 1787930 Ontario Inc., carrying on business as Messenger Freight Systems ("178"). 178 set-up a pre-authorized payment system to pay Transit's invoices.

3. I have reviewed the affidavit of Nathan McDaniel ("Nathan"), Financial Controller of 178, sworn September 18, 2018 ("Nathan's Affidavit") in connection with 178's motion for the return of the Agreed Payment, as defined and described below.

July 3, 2018 PAD Submission to Credit Union

4. I was advised by Monique Paul ("Monique"), a credit analyst at Transit, on September 27 and September 28, 2018 that on July 3, 2018 Transit submitted a pre-authorized debit ("PAD") to the Libro Credit Union (the "Credit Union"), which included a line item (among others to other customers), for \$83,734.05 (the "Agreed Payment") to be debited from 178's account on July 5, 2018.

5. The PAD was submitted to the Credit Union for the Agreed Payment on July 3 at 11:45:29 a.m. The amount of that submission includes multiple customers (7 pages, single

spaced). Two line items in the 7 pages are associated with 178 (account 96242510 for \$69,121.02, and account 96246010 in the amount of \$14,613.03). The total of that PAD, including the Agreed Payment, was credited to our account on July 5, 2018. Attached hereto and marked as Exhibit "A" is a copy of the redacted submission for the PAD containing the Agreed Payment together with a redacted Transit bank statement showing the total PAD deposit on July 5, 2018.

6. I was never contacted by anyone at 178 to stop the PAD for the Agreed Payment that was submitted on July 3, 2018.

7. I was never contacted by the Credit Union regarding any request made to it to stop the PAD for the Agreed Payment that was submitted on July 3, 2018.

Communications After the July 5 Meeting

8. On the morning of July 5, 2018, I was advised by Trevor Chambers ("Trevor"), Division Manager at Transit, that he and Monique were going to attend a meeting with 178 at 1 p.m. that same day. Later on July 5, 2018, Trevor told me that he and Monique did attend a meeting with representatives of 178 on Thursday, July 5, 2018 on or about 1 p.m. at which time they were advised that 178 had filed a Notice of Intention to Make a Proposal ("NOI") on Monday, July 2, 2018 (the "July 5 Meeting"). I note that our office was closed Monday, July 2, 2018 for the Canada Day long weekend.

9. I first became aware of the NOI on Thursday, July 5, 2018 when Trevor told me following the July 5 Meeting.

10. I had no conversations with 178 prior to Monday, July 9, 2018. My communications with 178 began on July 9, 2018 and ended on July 11, 2018. My communications were with Nathan.

11. I participated in a telephone conference with Nathan, Monique and Trevor on Monday, July 9, 2018. During that call, Nathan advised the Transit representatives that he had allowed the PAD for the Agreed Payment to be processed because (i) 178 and Transit had agreed to the payment on Thursday, June 28, 2018, two business days prior to the NOI which was filed on Monday, July 2, 2018; (ii) the payment had been processed by the Credit Union and received by Transit before Transit knew about the NOI; and (iii) 178 valued

working with Transit as 178 tried to keep afloat and 178 needed Transit to continue as a supplier to remain in business.

12. During the July 9, 2018 call, I raised the possibility of 178 providing a security deposit to Transit. Nathan advised the representatives of Transit that 178 was not able to provide a security deposit under the NOI. Nathan specifically said that MNP Ltd., the proposal trustee, would not allow 178 to provide Transit with a security deposit as that would be seen as "preferential treatment".

13. As set out below, I later learned that 178 did provide a security deposit to Petro Canada some time later despite having told us that 178 was prevented from doing so.

14. Nathan did not request a return of the Agreed Payment during the July 9, 2018 call.

15. During our phone conversations following the July 9, 2018 call, Nathan and I discussed payment of post-NOI purchases and our e-mail exchanges clarified our discussions regarding post-NOI purchases. Attached hereto and marked as **Exhibit "B"** is a copy of an e-mail string between Nathan and myself following the July 9, 2018 call regarding payment for purchases following the NOI.

16. On July 11, 2018, Monique sent an email to me wherein she indicated that Nathan had tried to reach me to put a stop payment on the \$62,693.03 for post-NOI purchases. Attached hereto and marked as **Exhibit "C"** is a copy of this e-mail.

17. Nathan issued a stop payment on July 11, 2018 around 4:10 p.m. on the amount of \$62,693.03 which represented the amount owing to Transit for the period July 3 to July 9, 2018, for post-NOI purchases by 178 from Transit.

18. I spoke with Nathan around 4:17 p.m. on July 11, 2018 regarding the stop payment. After that call, Transit deactivated the 178 fuel cards.

19. In Nathan's Affidavit, he states that he demanded the return of the Agreed Payment by telephone on July 11, 2018. I have no recollection of that demand.

20. I have no recollection of Nathan requesting a return of the Agreed Payment at any time during our telephone discussions or e-mail correspondence between July 9, 2018 and

July 11, 2018. Had he done that, Transit would not have spent the time and effort to try and work through a payment plan with 178 for post-NOI purchases.

21. My first recollection of any demand by 178 for the return of the Agreed Payment was on July 20, 2018 when Transit's lawyer, Sherry Kettle, forwarded an e-mail string from Sheldon Title of MNP and Bruce Simpson, a lawyer for 178. Attached hereto and marked as **Exhibit "D"** is a copy of the July 20, 2018 email.

22. Even if Nathan requested a return of the Agreed Payment on July 11, 2018, which I have no recollection of, it was after we had already been told that 178 had allowed the Agreed Payment to be processed so that Transit would continue to supply fuel in order that 178 could continue in business.

23. Based upon 178's representations that the Agreed Payment was allowed to go through and promises to pay all accounts on terms agreed upon with Transit, Transit continued to supply petroleum products to 178. As set out below, 178 still has an outstanding balance owing to Transit for July 2018 post-NOI purchases.

24. I have not spoken with anyone at MNP regarding the Agreed Payment.

Post-NOI Billing and Payments

25. Following the issuance of the NOI on July 2, 2018, Transit supplied fuel to 178 for which it has invoiced the sum of \$84,434.30. Attached hereto and marked as **Exhibit "E"** are copies of these invoices.

26. Following the issuance of the NOI, 178 has paid the sum of \$36,000 to Transit for post-NOI purchases. Attached hereto and marked as **Exhibit "F"** is a copy of a statement for 178 showing this payment as well as post-NOI invoices. I also refer to Exhibit "B" hereto wherein Nathan states that Transit can proceed with the \$36,000 PAD that had been previously authorized but not for the remaining balance owing for the week.

27. The balance owing to Transit for post-NOI purchases is \$48,434.30 (\$84,434.30 less \$36,000).

Letter to 178's Lawyer

28. Transit received a copy of the First Report of the Proposal Trustee dated July 26, 2018, a copy of which, without exhibits, is attached hereto as **Exhibit "G"**.

29. By letter dated August 8, 2018, Transit's lawyer, Sherry Kettle, sent a letter to 178's lawyer, Bruce Simpson, setting out Transit's position. Attached hereto as **Exhibit "H"** is a copy of this letter.

30. I am advised by Ms. Kettle that she did not receive a response to her request for details of 178's attempt(s) to stop the payment of the Agreed Payment "by approaching Transit Petroleum and then by contacting its credit union" on July 4 and 5, 2018 or details of the attempts by Transit to stop the payment of the Agreed Payment, as suggested by the statement that "[n]either Transit Petroleum or the credit union were able to stop the payment", as stated in the First Report of the Proposal Trustee.

31. I note that at paragraphs 36 and 37 of the First Report of the Proposal Trustee, the proposal trustee states when it became apparent to 178 that Transit was not prepared to continue providing fuel to 178, 178 approached Petro Canada on July 23, 2018. The report also states that Petro Canada sought protection for payment and a security payment to secure post-NOI supplies.

32. Transit received a copy of the Second Report of the Proposal Trustee dated September 10, 2018, a copy of which, without exhibits, is attached hereto as **Exhibit "I"**.

33. I note that at paragraph 15(a)(iii) of the Second Report of the Proposal Trustee, the proposal trustee states that 178 advanced \$80,000 to Petro Canada as a security deposit to secure the supply of fuel. This is contrary to what Nathan told us during our July 9, 2018 telephone call when we were negotiating post-NOI payment terms. Nathan specifically told us that 178 could not provide a security deposit as the proposal trustee told him that it would amount to preferential treatment.

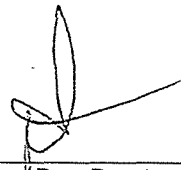
34. Transit specifically relied on the representations of 178, including Louise, Blaine and Nathan, that all purchases would be paid for by 178 and that the Agreed Payment had been allowed to go through so that 178 could continue in business. Transit continued to supply fuel to 178 post-NOI at 178's request and continued to do business with 178 in good faith and based on 178's representations.

35. Transit continued to negotiate post-NOI payment terms with 178 in good faith and agreed to payment terms with Transit. Nathan committed to a payment of approximately \$60,000 to be paid by PAD on July 12, 2018. Despite that agreement, 178 unilaterally issued a stop payment for that PAD on July 11, 2018. At that point, Transit no longer felt comfortable supplying fuel to 178.

36. 178 then went to Petro Canada and gave Petro Canada an \$80,000 security deposit, despite having told Transit that MNP had told 178 that it was prevented from doing so. According to the First Report of the Proposal Trustee, it appears that the \$80,000 security deposit was paid to Petro Canada sometime after July 23, 2018 instead of paying Transit for the outstanding balance owing to Transit on post-NOI purchases, as set out above, which had been issued prior to July 23, 2018.

SWORN BEFORE ME at the City of Kitchener,
in the Regional Municipality of Waterloo, this 4th
day of October, 2018.


A Commissioner for taking Affidavits (or as may be)



Don Poort

**Kennedy Erin MacDonald, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires June 12, 2020.**

TAB

“A”

Cindy Burchett

From: Diane Mcbay
Sent: Tuesday, July 03, 2018 10:31 AM
To: Cindy Burchett
Subject: PAD

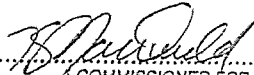
There is one PAD for Transit Petroleum due on July 5

497,734.13 ✓

272

Thank You

Diane McBay

This is Exhibit A referred to in the
affidavit of Don Pegg
sworn before me, this 4
day of October 2018

A COMMISSIONER FOR TAKING AFFIDAVITS

Kennedy Erin MacDonald, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires June 12, 2020.

all OK

(B)

7/3/2018
11:45:29AM

Deposit Slip Report By: Deposit Number
TRANSIT
TRANSIT PETROLEUM INC.
5 HILL STREET
P.O. BOX 65
KITCHENER, ONTARIO
N2G 3X4

40
Page: 8

DEPOSIT NUMBER	TRANSIT	ACCOUNT	DEPOSIT DATE
<u>REPORT TOTALS</u>	27522	03555267353	7/5/2018

<u>PAYMENT CODE</u>	<u>CURRENCY</u>	<u>HOME</u>	<u>NATURAL</u>
4PADTHUR	CAD	\$497,734.13	\$497,734.13
Totals for 4PADTHUR		\$497,734.13	
REPORT TOTALS:		\$497,734.13	
DEPOSITED BY: _____			

Proposed AR EFT Batch

Payment Code - 4PADTHUR

BANK - TORONTO DOMINION

Page 1 of 7

Customer Code	Customer Name	Receipt Control Number	Amount	Doc Date
Bank Data Available				
			10,218.49	07/05/2018
			149.59	07/05/2018
			646.89	07/05/2018
			1,331.73	07/05/2018
			459.35	07/05/2018
			1,576.90	07/05/2018
			4,654.72	07/05/2018
			644.73	07/05/2018
			979.94	07/05/2018
			4,391.11	07/05/2018
			1,360.22	07/05/2018
			198.73	07/05/2018
			1,246.70	07/05/2018
			443.43	07/05/2018
			978.88	07/05/2018
			132.19	07/05/2018
			215.93	07/05/2018
			56.62	07/05/2018
			145.37	07/05/2018
			60.24	07/05/2018
			748.32	07/05/2018
			103.03	07/05/2018
			1,604.56	07/05/2018
			79.33	07/05/2018
			5,020.49	07/05/2018
			2,313.06	07/05/2018
			920.17	07/05/2018
			143.75	07/05/2018
			17,064.87	07/05/2018
			3,992.06	07/05/2018
			2,000.93	07/05/2018
			262.90	07/05/2018
			1,190.44	07/05/2018
			51.72	07/05/2018
			2,535.11	07/05/2018
			401.11	07/05/2018

Customer Code	Customer Name	Receipt Control Number	Amount	Doc Date
			34,455.65	07/05/2018
			8,727.92	07/05/2018
			631.12	07/05/2018
			64.40	07/05/2018
			15,704.16	07/05/2018
			263.49	07/05/2018
			76.13	07/05/2018
			1,925.51	07/05/2018
			795.03	07/05/2018
			1,731.58	07/05/2018
			922.43	07/05/2018
			456.17	07/05/2018
			1,125.28	07/05/2018
			526.28	07/05/2018
			2,386.38	07/05/2018
			563.18	07/05/2018
			130.52	07/05/2018
			65.40	07/05/2018
			96.84	07/05/2018
			2,461.77	07/05/2018
			541.52	07/05/2018
			151.82	07/05/2018
			299.08	07/05/2018
			641.15	07/05/2018
			5,964.83	07/05/2018
			1,946.35	07/05/2018
			480.72	07/05/2018
			86.16	07/05/2018
			82.21	07/05/2018
			288.87	07/05/2018
			123.07	07/05/2018
			1,578.69	07/05/2018
			103.75	07/05/2018
			297.08	07/05/2018
			516.49	07/05/2018
			1,328.33	07/05/2018
			612.97	07/05/2018
			742.63	07/05/2018
			5,871.49	07/05/2018
			5,289.42	07/05/2018

Customer Code	Customer Name	Receipt Control Number	Amount	Doc Date
			506.95	07/05/2018
			1,501.10	07/05/2018
			521.42	07/05/2018
			58.50	07/05/2018
			132.80	07/05/2018
			370.94	07/05/2018
			4,306.14	07/05/2018
			147.53	07/05/2018
			977.87	07/05/2018
			154.53	07/05/2018
			95.35	07/05/2018
			501.59	07/05/2018
			521.65	07/05/2018
			4,413.80	07/05/2018
			1,199.94	07/05/2018
			86.67	07/05/2018
			1,586.51	07/05/2018
			233.34	07/05/2018
			405.39	07/05/2018
			63.84	07/05/2018
			289.54	07/05/2018
			2,174.07	07/05/2018
			446.29	07/05/2018
			1,426.15	07/05/2018
			1,674.28	07/05/2018
			170.89	07/05/2018
			1,311.88	07/05/2018
			250.36	07/05/2018
			873.38	07/05/2018
			360.42	07/05/2018
			135.43	07/05/2018
			222.64	07/05/2018
			2,197.78	07/05/2018
			158.95	07/05/2018
			106.97	07/05/2018
			1,927.44	07/05/2018
			906.16	07/05/2018
			306.06	07/05/2018
			7,608.17	07/05/2018
			893.92	07/05/2018

Customer Code	Customer Name	Receipt Control Number	Amount	Doc Date
			573.18	07/05/2018
			1,579.23	07/05/2018
			5,394.37	07/05/2018
			284.67	07/05/2018
			476.63	07/05/2018
			335.38	07/05/2018
			352.68	07/05/2018
			4,221.10	07/05/2018
			1,303.32	07/05/2018
			619.97	07/05/2018
			399.00	07/05/2018
			52.68	07/05/2018
			137.11	07/05/2018
			255.05	07/05/2018
			788.86	07/05/2018
			2,214.63	07/05/2018
			1,359.50	07/05/2018
			177.63	07/05/2018
			922.44	07/05/2018
			2,036.31	07/05/2018
			104.90	07/05/2018
			633.07	07/05/2018
			204.47	07/05/2018
			339.50	07/05/2018
			10,583.54	07/05/2018
			378.07	07/05/2018
			301.91	07/05/2018
			1,600.22	07/05/2018
			467.11	07/05/2018
			863.84	07/05/2018
			302.49	07/05/2018
			1,161.12	07/05/2018
			50.45	07/05/2018
			133.95	07/05/2018
			755.12	07/05/2018
			249.93	07/05/2018
			1,185.34	07/05/2018
96242510	MESSENGER FREIGHT SYSTEM	PYTRX0058357	69,121.02	07/05/2018
			48.16	07/05/2018
			1,456.18	07/05/2018

Customer Code	Customer Name	Receipt Control Number	Amount	Doc Date
			704.91	07/05/2018
			7,802.68	07/05/2018
96246010	MESSENGER FREIGHT SYSTEM	PYTRX0058356	14,613.03	07/05/2018
			1,076.97	07/05/2018
			612.11	07/05/2018
			231.03	07/05/2018
			417.26	07/05/2018
			562.16	07/05/2018
			143.10	07/05/2018
			207.49	07/05/2018
			947.90	07/05/2018
			291.59	07/05/2018
			944.81	07/05/2018
			668.79	07/05/2018
			412.68	07/05/2018
			127.38	07/05/2018
			95.43	07/05/2018
			2,202.20	07/05/2018
			5,900.30	07/05/2018
			2,942.54	07/05/2018
			181.21	07/05/2018
			1,266.90	07/05/2018
			588.55	07/05/2018
			735.61	07/05/2018
			637.59	07/05/2018
			1,001.86	07/05/2018
			194.37	07/05/2018
			2,490.90	07/05/2018
			233.36	07/05/2018
			244.09	07/05/2018
			118.42	07/05/2018
			494.17	07/05/2018
			479.57	07/05/2018
			438.49	07/05/2018
			219.94	07/05/2018
			556.43	07/05/2018
			1,071.80	07/05/2018
			1,513.49	07/05/2018
			568.73	07/05/2018
			1,843.31	07/05/2018

Customer Code	Customer Name	Receipt Control Number	Amount	Doc Date
			1,950.01	07/05/2018
			1,154.01	07/05/2018
			89.55	07/05/2018
			227.70	07/05/2018
			1,351.62	07/05/2018
			518.43	07/05/2018
			1,282.42	07/05/2018
			1,865.27	07/05/2018
			2,516.97	07/05/2018
			78.85	07/05/2018
			807.50	07/05/2018
			1,592.96	07/05/2018
			2,165.20	07/05/2018
			800.05	07/05/2018
			6,292.04	07/05/2018
			2,286.43	07/05/2018
			2,110.21	07/05/2018
			2,332.08	07/05/2018
			203.24	07/05/2018
			499.23	07/05/2018
			1,655.10	07/05/2018
			2,209.18	07/05/2018
			3,568.81	07/05/2018
			197.27	07/05/2018
			618.52	07/05/2018
			3,513.25	07/05/2018
			3,507.88	07/05/2018
			739.30	07/05/2018
			143.95	07/05/2018
			4,877.48	07/05/2018
			15,237.14	07/05/2018
			555.13	07/05/2018
			157.34	07/05/2018
			1,276.63	07/05/2018
			916.13	07/05/2018
			138.27	07/05/2018
			342.38	07/05/2018
			676.50	07/05/2018
			72.56	07/05/2018
			1,056.04	07/05/2018

Customer Code	Customer Name	Receipt Control Number	Amount	Doc Date
			1,671.82	07/05/2018
			122.25	07/05/2018
			126.52	07/05/2018
			108.47	07/05/2018
			504.63	07/05/2018
			1,606.86	07/05/2018
			3,271.04	07/05/2018
			1,234.79	07/05/2018
			8,677.71	07/05/2018
			80.57	07/05/2018
			1,393.12	07/05/2018
			569.13	07/05/2018
			2,703.38	07/05/2018
			492.19	07/05/2018
			524.48	07/05/2018
			31.69	07/05/2018
			180.54	07/05/2018
			378.32	07/05/2018
			939.69	07/05/2018
			378.03	07/05/2018
			1,439.06	07/05/2018
			4,554.98	07/05/2018
			376.16	07/05/2018
			5,176.59	07/05/2018
			121.01	07/05/2018
			585.51	07/05/2018
			436.92	07/05/2018
			6,537.91	07/05/2018
			349.21	07/05/2018
			468.68	07/05/2018
			142.26	07/05/2018
		Proposed Debit	\$ 497,734.13	
		Report Total	\$ 497,734.13	

SEBROCO CORP
Statement of Account (Bank)
Thursday, July 05, 2018

Account Name:	Account:	Branch:	Agency:
Transit Petroleum			

B/D	Description	Debit	Credit	Date	Balance
	Balance Forward			07/05/2018	
	TWTP127520 0157 EFT		\$497,734.13	07/05/2018	
	Closing Balance			07/05/2018	

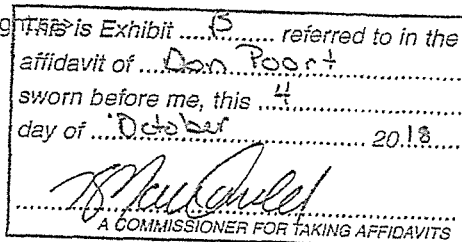
11

TAB

“B”

Jarrell, Susan

From: Nathan McDaniel <nathan@messengerfreight.ca>
Sent: Wednesday, July 11, 2018 3:31 PM
To: Don Poort
Subject: RE: in re: proposal
Importance: High



Hi Don,

My apologies for missing your call. Please only execute the PAP that I authorized: \$36,000 for estimated fuel purchases on 7/9/18, 7/10/18 & 7/11/18. I need to talk to you regarding the remaining balance for the week. My cell is 519-319-7086.

Cheers,

Nathan

Kennedy Erin MacDonald, a Commissioner, etc.,
 Province of Ontario, while a Student-at-Law.
 Expires June 12, 2020.

From: Don Poort [mailto:dpoot@hoggfuel.com]
Sent: July 11, 2018 1:54 PM
To: Nathan McDaniel <nathan@messengerfreight.ca>
Subject: FW: in re: proposal

I am not around much longer this afternoon.

We will be submitting (today) a PAD for \$62,639.03 dated tomorrow (July 12) (\$50,639.03 + \$12,000).

As it turns out, I don't actually get the funds until the end of the day (10pm), so I will take \$24,000 on Friday. That way, as agreed, by Friday night I will have enough to cover fuel draws for Friday plus funds in advance of the following day (in this case, on the weekend and Monday). On Monday, I will be drawing \$12,000 in funds for Tuesday's fuel, etc.

Thanks.

From: Don Poort
Sent: Wednesday, July 11, 2018 12:35 PM
To: 'Nathan McDaniel' <nathan@messengerfreight.ca>
Subject: RE: in re: proposal

Nathan

Please find the information that answers your question (attached). We have gone through a detailed review of your account to ensure that all numbers are accurate and complete with current information up to July 8. I need to have a conversation with you early this afternoon about one more point for our discussion. What time after 1PM can I call you?

Thanks

From: Nathan McDaniel [mailto:nathan@messengerfreight.ca]
Sent: Tuesday, July 10, 2018 3:57 PM
To: Don Poort <dpoort@hoggfuel.com>
Subject: RE: in re: proposal

Hi Don,

Much thanks for making the time to talk today. I am fine with the PAD for \$36,000 to come out tomorrow to cover the estimated fuel (i.e. \$12,000/day) for the period July 9, July 10, and July 11. Would you please send me a revised amount owing for the period July 3 – July 8?

Cheers,

Nathan

From: Don Poort [mailto:dpoort@hoggfuel.com]
Sent: July 10, 2018 3:03 PM
To: Nathan McDaniel <nathan@messengerfreight.ca>
Subject: RE: in re: proposal

I am here

From: Nathan McDaniel [mailto:nathan@messengerfreight.ca]
Sent: Tuesday, July 10, 2018 2:59 PM
To: Don Poort <dpoort@hoggfuel.com>
Subject: RE: in re: proposal

Hi Don,

My apologies for missing your call...I will call you in a few minutes.

Thanks,

Nathan

From: Don Poort [mailto:dpoort@hoggfuel.com]
Sent: July 10, 2018 2:16 PM
To: Nathan McDaniel <nathan@messengerfreight.ca>
Subject: RE: in re: proposal

Left you a voicemail.

I am back in the office (519-579-5330) – have me paged.

Thanks.

From: Nathan McDaniel [mailto:nathan@messengerfreight.ca]
Sent: Tuesday, July 10, 2018 1:34 PM
To: Don Poort <dpoort@hoggfuel.com>
Subject: RE: in re: proposal

Hi Don,

Thank you for sending your proposal. Would you please give me a call at your earliest convenience?

Cheers,

Nathan

From: Don Poort [<mailto:dpoort@hogefuel.com>]
 Sent: July 10, 2018 11:35 AM
 To: Nathan McDaniel <nathan@messengerfreight.ca>
 Subject: RE: in re: proposal
 Importance: High

Thank you for your proposal.

Given the current situation, until we have been brought current under the terms described below, effective July 11, 2018, Messenger will be restricted to a daily maximum fuel draw of \$5,000.

Your balance with Transit as at end of business on July 9, 2018 is as follows:

Amounts up to and including July 2:

- Account # 96242510 (Transit Cardlocks): \$ 170,745.30
- For Account # 96246010: (Ultramar Cardlocks): \$ 32,746.52 (estimated for July 1 and July 2 included)
- Total under NOI: \$ 203,491.82

Your balance from July 3 – July 9 is: \$62,989.06

In order to eliminate the daily maximum, Messenger is required to pay the July 3 – July 9th balance above PLUS:

- For Account # 96242510 (Transit Cardlocks): Transit will be executing a PAD pull in the amount of \$12,000. This represents an approximation of daily draw by Messenger.
- For Account # 96246010: (Ultramar Cardlocks): Transit will also be executing a PAD for your Ultramar draw in the amount of \$11,000. This represents an approximation of the weekly draw by Messenger within the Ultramar system.

To be clear, if paid on July 10, 2018, Transit requires a payment in the amount of \$85,989.06 prior to lifting the daily maximum restriction. Each day beyond July 10, 2018, an additional \$12,000 will be required.

From the date of payment forward:

- For Account # 96242510: Each week day morning Transit will inform Messenger of the prior day's fuel purchases and will simultaneously execute a PAD pull for that full amount.
- For Account # 96246010: On Tuesday of each week Transit will inform Messenger of the prior week's fuel purchases through the Ultramar system, and will simultaneously execute a PAD pull for that amount.

For the period in time during which Transit is required to perform these additional administrative services, Messenger will be charged an Administration fee of \$1,000 per week. This amount will be added to each Monday's PAD draw.

Once we are back to normal credit terms, we will require a \$50,000 deposit on the account, and the initial maximum daily limit will be \$15,000 per day.

Thank you

Don Poort, CPA, CA
CFO
Transit Petroleum

From: Nathan McDaniel [mailto:nathan@messengerfreight.ca]
Sent: Monday, July 09, 2018 2:43 PM
To: Don Poort <dpoort@hoggfuel.com>
Subject: in re: proposal

Hi Don,

Much thanks for making the time to talk today. With the NOI filed we can commit to the following for payments:

- *Payments of \$12,000 per day billed on Monday, Tuesday, Thursday and Friday for COD fuel purchases.
- *If the amounts received throughout the week are in excess of the invoices for the current week's fuel purchases, the excess would be applied as a credit for future invoices (i.e. no arrears payment applications)
- *If the amounts received throughout the week are deficient to the invoices for the current week's fuel purchases, the deficiency would be covered on the Monday payment.
- *Payment of \$60,000 on Thursday of the current week (7/12/18) [Total payments for the current week would be \$120,000].

I would be fine with the payments being made via PAP starting tomorrow (\$24,000 on 7/10/18). Please let me know if you have any questions.

Cheers,

Nathan

Nathan McDaniel
Financial Controller
Messenger Freight System
150 Dennis Road
P.O. Box 100
St. Thomas, ON N5P 0B6
Bus: 519-631-9604 x107
Fax: 519-631-1135
<http://www.messengerfreight.ca>



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TAB

“C”

Jarrell, Susan

From: Monique Paul <mpaul@hoggfuel.com>
Sent: Wednesday, July 11, 2018 3:37 PM
To: Don Poort
Subject: Messenger

Nathan called and he is trying to reach you as he needs to stop payment on the \$62, 693.03!

I told him they had already gone in on our end. He said he will have to call the bank and put a stop payment on it!

Nathan 519-631-9604 ext 107

Thanks,

Monique Paul
Credit Analyst
Hogg Fuel and Supply Ltd.
Transit Petroleum Inc.
519-579-5330 Ext 1161
mpaul@hoggfuel.com

This is Exhibit C referred to in the
affidavit of Don Poort
sworn before me, this 4
day of October 2018.
Erin MacDonald
A COMMISSIONER FOR TAKING AFFIDAVITS

Kennedy Erin MacDonald, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires June 12, 2020.

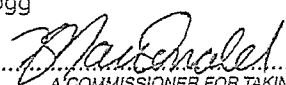


TAB

“D”

Kettle, Sherry

From: Sheldon Title <Sheldon.Title@mnp.ca>
 Sent: Friday, July 20, 2018 3:14 PM
 To: Kettle, Sherry
 Cc: Bruce Simpson
 Subject: FW: Messenger Freight: Your Client Transit Hogg
 Importance: High

This is Exhibit 5 referred to in the affidavit of Don Peor + sworn before me, this 4 day of October 2018.

 A COMMISSIONER FOR TAKING AFFIDAVITS

Sherry,

Please see Bruce Simpson's email below.

Kennedy Erin MacDonald, a Commissioner, etc.,
 Province of Ontario, while a Student-at-Law.
 Expires June 12, 2020.

There is an error in your email message, and accordingly, you will not have received it. Bruce, copied on this message, is out of the office and asked that I forward it to you.

Regards,
 Sheldon

Sheldon Title, CPA, CA, CIRP, LIT
 SENIOR VICE-PRESIDENT

DIRECT 416.263.6945
 FAX 416.323.5240
 CELL 416.573.5320
 111 Richmond Street West
 Suite 300
 Toronto, ON
 M5H 2G4
sheldon.title@mnp.ca
mnpdebt.ca



MNP PROUDLY CELEBRATES THE CANADIAN ENTREPRENEURIAL DRIVE

From: Bruce Simpson <bruce@bruceasimpson.com>
 Sent: July 19, 2018 5:33 PM
 To: Sherry Kettle (skettle@millerthjomson.com) <skettle@millerthjomson.com>
 Cc: Sheldon Title <Sheldon.Title@mnp.ca>
 Subject: Messenger Freight: Your Client Transit Hogg
 Importance: High

Ms. Kettle,

We are legal counsel to Messenger with respect to matters arising out of the filing of an NOI. We are advised that your client, Transit Hogg, are wrongfully retaining the sum of \$83,734.05 more than they are entitled to for the payment of post NOI obligations. As you will appreciate, this is giving rise to serious complications for the completion of the Trustee's report. If the funds are not returned prior to noon on Monday July 23, 2018, time being of the essence, reference to the wrongful retention of funds will have to be included in the Trustee's initial report to the court. The sum being retained is liable to have a catastrophic effect on Messenger's ability to refinance properly. By means

of this correspondence your client is put on notice that all damages resulting from their improper retention of the funds will be claimed by Messenger and those of us who will be financially harmed by this conduct.

Your timely resolution of this matter is required.

Thank you.

Bruce

Bruce Simpson | Swanick & Associates | Barristers and Solicitors
225 Duncan Mill Road Suite 101, Toronto ON, M3B 3K9, Tel. 416-510-1888 x 229, Direct 647-799-0376 Fax 416-510-1945

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TAB

“E”

This is Exhibit ... referred to in the affidavit of Don Peart sworn before me, this 4 day of October 2018



Transit Petroleum

5 Hill Street, P.O. Box 1720, Kitchener, Ontario N2G 4R3 Tel: (519) 571-1220

W. MacDonald
A COMMISSIONER FOR TAKING AFFIDAVITS

INVOICE

**FUEL MANAGEMENT SYSTEM
DISPENSING REPORTS**

Kennedy Erin MacDonald, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires June 12, 2020.

MESSENGER FREIGHT SYSTEMS 962425404
150 DENNIS RD.,
ST. THOMAS, ON
N5P0B6

INVOICE NO.: 1100632

H.S.T. REG. NO. 105348619 PAGE NO.: 1

FOR THE PERIOD ENDING: 15-Jul-2018

LOC	VEHICLE/ISSUE DATE	TIME	CARD NO.	DRIVER NAME	ODOMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
#62002	62002	No Prior Odom Reading Available. No Mileage calculations.						
	2 09-Jul-2018	07:16	62002	62002	0	14.20	77.43	11.00
	12 DIESEL EXHAUST FLUID (DEF)					14.20		11.00
#62005	62005	Previous Odom: 172539 KM As of: 08-Jul-2018						
	2 10-Jul-2018	16:20	62005	62005	183527	10.00	77.43	7.74
	2 11-Jul-2018	18:23	62005	62005	175579	38.06		29.47
	12 DIESEL EXHAUST FLUID (DEF)				Total KM	3040	48.06	37.21
					L / 100 KM	1.591	COST / KM	0.012
					Miles / GAL	178.647	COST / MILE	0.020
#62006	62006	No Prior Odom Reading Available. No Mileage calculations.						
	3 09-Jul-2018	12:03	62006	62006	0	28.17	77.43	21.81
	12 DIESEL EXHAUST FLUID (DEF)					28.17		21.81
#62012	62012	No Prior Odom Reading Available. No Mileage calculations.						
	2 10-Jul-2018	06:29	62012	62012	0	5.95	77.43	4.61
	12 DIESEL EXHAUST FLUID (DEF)					5.95		4.61
#62014	62014	Previous Odom: 524207 KM As of: 05-Jul-2018						
	2 10-Jul-2018	04:40	62014	62014	524199	23.67	77.43	18.33
	2 10-Jul-2018	22:40	62014	62014	524209	12.13		9.39
	12 DIESEL EXHAUST FLUID (DEF)				Total KM	2	35.80	27.72
#62019	62019	No Prior Odom Reading Available. No Mileage calculations.						
	5 10-Jul-2018	21:58	62019	62019	0	22.35	77.43	17.31
	12 DIESEL EXHAUST FLUID (DEF)					22.35		17.31
#62041	62041	No Prior Odom Reading Available. No Mileage calculations.						
	2 09-Jul-2018	13:40	62041	62041	0	32.80	77.43	25.40
	2 11-Jul-2018	00:57	62041	62041	0	15.97		12.37
	12 DIESEL EXHAUST FLUID (DEF)					48.77		37.77
#62044	62044	Previous Odom: 147514 KM As of: 07-Jul-2018						

Locations: 1=Hill St, 2=Preston, 3=401 & 97, 4=Waterloc, 5=Guelph, 6=Strasburg

PAST DUE INTEREST CHARGED AT 1% PER MONTH (12% PER ANNUM) ON UNPAID OVERDUE BALANCES
PLEASE MAKE ALL PAYMENTS TO TRANSIT PETROLEUM INC.



Transit Petroleum

INVOICE

5 Hill Street, P.O. Box 1720, Kitchener, Ontario N2G 4R3 Tel: (519) 571-1220 Fax: (519) 579-8920 Email: fmsinv@transitfuel.com

FUEL MANAGEMENT SYSTEM DISPENSING REPORTS

MESSENGER FREIGHT SYSTEMS 962425404
150 DENNIS RD.,
ST. THOMAS, ON
N5P0B6

INVOICE NO.: 1100632

H.S.T. REG. NO. 105348619 PAGE NO.: 2

FOR THE PERIOD ENDING: 15-Jul-2018

KOC	VEHICLE DATE	DESC	TIME	CARD NO	DRIVER NAME	ODOMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
2	09-Jul-2018		05:06	62044	62044	147541	30.01	77.43	23.24
12		DIESEL EXHAUST FLUID (DEF)			Total KM	27	30.01		23.24
		L / 100 KM	111.148		COST / KM	0.861			
		Miles / GAL	2.541		COST / MILE	1.386			
#62047 62047 Previous Odom: 1 KM As of: 08-Jul-2018									
2	09-Jul-2018		18:06	62047	62047	1	19.88	77.43	15.39
2	10-Jul-2018		17:22	62047	62047	1	15.60		12.08
12		DIESEL EXHAUST FLUID (DEF)					35.48		27.47
#62055 62055 No Prior Odom Reading Available. No Mileage calculations.									
3	11-Jul-2018		18:31	62055	62055	95159	20.67	77.43	16.00
12		DIESEL EXHAUST FLUID (DEF)					20.67		16.00
#62064 62064 Previous Odom: 19 KM As of: 01-Jul-2018									
2	09-Jul-2018		12:33	62064	62064	0	32.68	77.43	25.30
12		DIESEL EXHAUST FLUID (DEF)			Total KM	*****	32.68		25.30
#62087 62087 Previous Odom: 141075 KM As of: 07-Jul-2018									
2	09-Jul-2018		02:31	62087	62087	93325	38.67	77.43	29.94
12		DIESEL EXHAUST FLUID (DEF)			Total KM	*****	38.67		29.94
#62089 62089 No Prior Odom Reading Available. No Mileage calculations.									
2	09-Jul-2018		06:45	62089	62089	175693	16.86	77.43	13.05
2	10-Jul-2018		15:28	62089	62089	176587	14.86		11.51
2	11-Jul-2018		16:18	62089	62089	0	25.72		19.91
12		DIESEL EXHAUST FLUID (DEF)					57.44		44.47
#62102 62102 Previous Odom: 647148 KM As of: 04-Jul-2018									
2	10-Jul-2018		03:08	62102	62102	591470	42.93	77.43	33.24
12		DIESEL EXHAUST FLUID (DEF)			Total KM	*****	42.93		33.24
#62112 62112 Previous Odom: 163552 KM As of: 08-Jul-2018									
2	09-Jul-2018		19:40	62112	62112	149950	21.00	77.43	16.26

Locations: 1=Hill St, 2=Preston, 3=401 & 97, 4=Waterloo, 5=Guelph, 6=Strasburg

FAST DUE INTEREST CHARGED AT 1% PER MONTH (19.58% PER ANNUM ON UNPAID OVERDUE BALANCES
PLEASE MAKE ALL PAYMENTS TO TRANSIT PETROLEUM INC.



Transit Petroleum

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FUEL MANAGEMENT SYSTEM DISPENSING REPORTS

MESSENGER FREIGHT SYSTEMS 962425404
150 DENNIS RD.,
ST. THOMAS, ON
N5P0B6

INVOICE NO.: 1100632

H.S.T. REG. NO. 105348619 PAGE NO.: 3

FOR THE PERIOD ENDING: 15-Jul-2018

LOC	VEHICLE DESC DATE	TIME	CARD NO	DRIVER NAME	ODOMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
	12 DIESEL EXHAUST FLUID (DEF)			Total KM	*****	21.00		16.26
#62113	62113			Previous Odom: 162114 KM As of: 28-Jun-2018				
	2 11-Jul-2018	16:54	62113	62113	156358	19.25	77.43	14.91
	12 DIESEL EXHAUST FLUID (DEF)			Total KM	*****	19.25		14.91
#62114	62114			No Prior Odom Reading Available. No Mileage calculations.				
	2 11-Jul-2018	11:53	62114	62114	0	14.10	77.43	10.92
	12 DIESEL EXHAUST FLUID (DEF)					14.10		10.92
#62115	62115			No Prior Odom Reading Available. No Mileage calculations.				
	2 10-Jul-2018	21:35	62115	62115	0	41.14	77.43	31.85
	12 DIESEL EXHAUST FLUID (DEF)					41.14		31.85
#62117	62117			No Prior Odom Reading Available. No Mileage calculations.				
	5 11-Jul-2018	16:19	62117	62117	6	15.75	77.43	12.20
	12 DIESEL EXHAUST FLUID (DEF)					15.75		12.20
#62118	62118			Previous Odom: 617271 KM As of: 04-Jul-2018				
	2 10-Jul-2018	05:49	62118	62118	620101	21.00	77.43	16.26
	12 DIESEL EXHAUST FLUID (DEF)			Total KM	2830	21.00		16.26
		L / 100 KM	0.742	COST / KM	0.006			
		Miles / GAL	380.603	COST / MILE	0.009			
				Subtotal				459.49
				ON HST @ 13% Registration #105348619				59.74
	12 DIESEL EXHAUST FLUID (DEF)			Total		593.42		519.23
				TAXES INCLUDED IN ABOVE SUBTOTAL				Please pay this amount
				FEDERAL EXCISE TAX	593.42 L	0.00 /L	0.00	=====

Locations: 1=Hill St, 2=Preston, 3=401 & 97, 4=Waterloo, 5=Guelph, 6=Strasburg

PAST DUE INTEREST CHARGED AT 1% PER MONTH (19.56% PER ANNUM ON UNPAID OVERDUE BALANCES
PLEASE MAKE ALL PAYMENTS TO TRANSIT PETROLEUM INC.



Transit Petroleum

INVOICE

5 Hill Street, P.O. Box 1720, Kitchener, Ontario N2G 4R3 Tel: (519) 571-1220 Fax: (519) 579-8920 Email: fmsinv@transitfuel.com

FUEL MANAGEMENT SYSTEM DISPENSING REPORTS

MESSENGER FREIGHT SYSTEMS 962425201
150 DENNIS RD.,
ST. THOMAS, ON
N5P0B6

INVOICE NO.: 1099424

H.S.T. REG. NO. 105348619 PAGE NO.: 1

FOR THE PERIOD ENDING: 08-Jul-2018

LOC	VEHICLE/DESC DATE	TIME	CARD NO.	DRIVER NAME	ODMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
#62001	62001	No Prior Odom Reading Available. No Mileage calculations.						
2	01-Jul-2018	13:13	62001	62001	0	145.00	110.30	159.94
4	#2 ULS DIESEL, CLEAR					145.00		159.94
#62002	62002	No Prior Odom Reading Available. No Mileage calculations.						
2	07-Jul-2018	07:49	62002	62002	0	307.40	109.58	336.85
4	#2 ULS DIESEL, CLEAR					307.40		336.85
#62005	62005	Previous Odom: 88125 KM As of: 28-Jun-2018						
2	01-Jul-2018	13:25	62005	62005	153913	315.80	110.30	348.33
2	03-Jul-2018	18:03	62005	62005	129852	271.40		299.35
5	04-Jul-2018	17:38	62005	62005	180363	153.81	110.73	170.31
2	05-Jul-2018	17:14	62005	62005	92127	148.60	109.23	162.32
2	08-Jul-2018	16:00	62005	62005	172539	100.00	109.58	109.58
4	#2 ULS DIESEL, CLEAR			Total KM	84414	989.61		1089.89
		L / 100 KM	1.172	COST / KM	0.013			
		Miles / GAL	240.910	COST / MILE	0.021			
#62006	62006	No Prior Odom Reading Available. No Mileage calculations.						
2	02-Jul-2018	20:14	62006	62006	0	302.50	110.30	333.66
4	#2 ULS DIESEL, CLEAR					302.50		333.66
#62009	62009	Previous Odom: 587834 KM As of: 30-Jun-2018						
2	03-Jul-2018	17:10	62009	62009	0	150.90	110.30	166.44
2	04-Jul-2018	12:12	62009	62009	588914	100.40	110.73	111.17
2	06-Jul-2018	06:32	62009	62009	542983	315.50	109.23	344.62
4	#2 ULS DIESEL, CLEAR			Total KM	*****	566.80		622.23
#62011	62011	Previous Odom: 492232 KM As of: 29-Jun-2018						
2	05-Jul-2018	10:36	62011	62011	493739	373.90	109.23	408.41
5	06-Jul-2018	18:55	62011	62011	494704	352.36		384.88
4	#2 ULS DIESEL, CLEAR			Total KM	2472	726.26		793.29
		L / 100 KM	29.379	COST / KM	3.321			
		Miles / GAL	9.613	COST / MILE	0.516			
#62012	62012	No Prior Odom Reading Available. No Mileage calculations.						
2	05-Jul-2018	21:06	62012	62012	0	247.90	109.23	270.78

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PAST DUE INTEREST CHARGED AT 1% PER MONTH (19.56%) PER ANNUM ON UNPAID OVERDUE BALANCES
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FUEL MANAGEMENT SYSTEM DISPENSING REPORTS

MESSENGER FREIGHT SYSTEMS 962425201
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N5P0B6

INVOICE NO.: 1099424

H.S.T. REG. NO. 105348619 PAGE NO.: 2

FOR THE PERIOD ENDING: 08-Jul-2018

Loc	VEHICLE DESC DATE	TIME	CARD NO	DRIVER NAME	ODOMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
	2 07-Jul-2018	01:05	62012 62012		0	292.60	109.58	320.63
	4 #2 ULS DIESEL, CLEAR					540.50		591.41
	#62014 62014 Previous Odom: 524199 KM As of: 29-Jun-2018							
	2 04-Jul-2018	21:10	62014 62014		524199	201.00	110.73	222.57
	2 05-Jul-2018	20:28	62014 62014		524207	102.70	109.23	112.18
	2 06-Jul-2018	20:47	62014 62014		524207	314.90		343.97
	4 #2 ULS DIESEL, CLEAR			Total KM	8	618.60		678.72
	#62015 62015 Previous Odom: 160473 KM As of: 30-Jun-2018							
	2 03-Jul-2018	17:19	62015 62015		161806	155.00	110.30	170.96
	2 05-Jul-2018	17:33	62015 62015		174197	416.00	109.23	454.40
	2 07-Jul-2018	16:11	62015 62015		166162	115.00	109.58	126.02
	4 #2 ULS DIESEL, CLEAR			Total KM	5689	686.00		751.39
		L / 100 KM	12.058	COST / KM	0.132			
		Miles / GAL	23.422	COST / MILE	0.213			
	#62019 62019 No Prior Odom Reading Available. No Mileage calculations.							
	3 02-Jul-2018	22:11	62019 62019		0	208.10	110.30	229.53
	3 05-Jul-2018	07:08	62019 62019		0	182.10	109.23	198.91
	4 #2 ULS DIESEL, CLEAR					390.20		428.44
	#62020 62020 No Prior Odom Reading Available. No Mileage calculations.							
	2 01-Jul-2018	17:07	62020 62020		0	156.70	110.30	172.84
	2 02-Jul-2018	09:25	62020 62020		0	170.30		187.84
	2 02-Jul-2018	20:18	62020 62020		0	153.80		169.64
	2 04-Jul-2018	16:26	62020 62020		0	363.90	110.73	402.95
	2 08-Jul-2018	06:58	62020 62020		0	252.10	109.58	276.25
	4 #2 ULS DIESEL, CLEAR					1096.80		1209.52
	#62023 62023 Previous Odom: 507166 KM As of: 26-Jun-2018							
	3 01-Jul-2018	17:46	62023 62023		599757	271.00	110.30	298.91
	2 02-Jul-2018	18:35	62023 62023		128931	281.00		309.94
	2 04-Jul-2018	01:37	62023 62023		570799	310.00	110.73	343.26
	2 05-Jul-2018	01:00	62023 62023		569129	258.00	109.23	281.81
	2 05-Jul-2018	21:23	62023 62023		613374	233.00		254.51
	3 08-Jul-2018	21:58	62023 62023		571980	143.00	109.58	156.70
	4 #2 ULS DIESEL, CLEAR			Total KM	64814	1496.00		1645.13
		L / 100 KM	2.308	COST / KM	0.025			
		Miles / GAL	122.361	COST / MILE	0.041			

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PAST DUE INTEREST CHARGED AT 1 1/2% PER MONTH (19.56%) PER ANNUM ON UNPAID OVERDUE BALANCES
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Transit Petroleum

INVOICE

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FUEL MANAGEMENT SYSTEM DISPENSING REPORTS

MESSENGER FREIGHT SYSTEMS 962425201
150 DENNIS RD.,
ST. THOMAS, ON
N5P0B6

INVOICE NO.: 1099424

H.S.T. REG. NO. 105348619 PAGE NO.: 3

FOR THE PERIOD ENDING: 08-Jul-2018

LOC	VEHICLE DESC DATE	TIME	CARD NO.	DRIVER NAME	ODOMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
#62025	62025	Previous Odom: 595188 KM As of: 30-Jun-2018						
	5 03-Jul-2018	00:30	62025 62025		600198	235.07	110.30	259.28
	3 07-Jul-2018	03:31	62025 62025		597553	390.00	109.58	427.36
	4 #2 ULS DIESEL, CLEAR			Total KM	2365	625.07		686.64
	L / 100 KM	26.430		COST / KM				0.290
	Miles / GAL	10.686		COST / MILE				0.467
#62028	62028	No Prior Odom Reading Available. No Mileage calculations.						
	2 01-Jul-2018	00:48	62028 62028		0	136.90	110.30	151.00
	2 04-Jul-2018	00:03	62028 62028		0	172.70	110.73	191.23
	2 06-Jul-2018	22:55	62028 62028		0	283.00	109.23	309.12
	2 07-Jul-2018	22:13	62028 62028		0	216.20	109.58	236.91
	4 #2 ULS DIESEL, CLEAR					808.80		888.26
#62029	62029	No Prior Odom Reading Available. No Mileage calculations.						
	2 03-Jul-2018	13:12	62029 62029		0	206.90	110.30	228.21
	2 05-Jul-2018	15:04	62029 62029		0	263.80	109.23	288.15
	2 06-Jul-2018	15:08	62029 62029		0	134.50		146.91
	2 07-Jul-2018	14:47	62029 62029		0	122.50	109.58	134.24
	4 #2 ULS DIESEL, CLEAR					727.70		797.51
#62031	62031	Previous Odom: 716533 KM As of: 29-Jun-2018						
	2 01-Jul-2018	10:01	62031 62031		718070	539.10	110.30	594.63
	2 03-Jul-2018	22:45	62031 62031		480036	593.40		654.52
	2 05-Jul-2018	03:47	62031 62031		481170	377.00	109.23	411.80
	4 #2 ULS DIESEL, CLEAR			Total KM	*****	1509.50		1660.95
#62034	62034	Previous Odom: 176744 KM As of: 30-Jun-2018						
	2 04-Jul-2018	15:40	62034 62034		130097	106.80	110.73	118.26
	2 05-Jul-2018	08:01	62034 62034		162615	243.20	109.23	265.65
	4 #2 ULS DIESEL, CLEAR			Total KM	*****	350.00		383.91
#62036	62036	Previous Odom: 174447 KM As of: 30-Jun-2018						
	5 01-Jul-2018	11:36	62036 62036		174544	139.89	110.30	154.30
	3 03-Jul-2018	11:31	62036 62036		186092	134.30		148.13
	5 04-Jul-2018	06:50	62036 62036		175719	383.71	110.73	424.88
	2 05-Jul-2018	14:40	62036 62036		156910	351.70	109.23	384.16

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FUEL MANAGEMENT SYSTEM DISPENSING REPORTS

MESSENGER FREIGHT SYSTEMS 962425201
150 DENNIS RD.,
ST. THOMAS, ON
N5P0B6

INVOICE NO.: 1099424

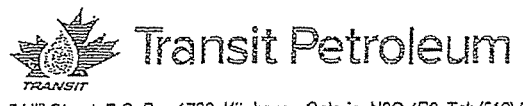
H.S.T. REG. NO. 105348619 PAGE NO.: 4

FOR THE PERIOD ENDING: 08-Jul-2018

LOC	VEHICLE-DESC DAY	TIME	CARD NO.	DRIVER NAME	ODOMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
4	#2 ULS DIESEL, CLEAR			Total KM	*****	1009.60		1111.47
#62038 62038 Previous Odom: 44444 KM As of: 30-Jun-2018								
2	03-Jul-2018	17:05	62038 62038		44444	219.40	110.30	242.00
2	06-Jul-2018	17:45	62038 62038		444444	359.40	109.23	392.57
2	07-Jul-2018	15:32	62038 62038		44444	96.90	109.58	106.18
4	#2 ULS DIESEL, CLEAR					675.70		740.75
#62041 62041 No Prior Odom Reading Available. No Mileage calculations.								
2	02-Jul-2018	18:45	62041 62041		0	132.20	110.30	145.82
2	03-Jul-2018	20:39	62041 62041		0	265.20		292.52
2	04-Jul-2018	14:18	62041 62041		0	265.00	110.73	293.43
2	04-Jul-2018	23:17	62041 62041		0	106.40		117.82
2	06-Jul-2018	19:49	62041 62041		0	299.00	109.23	326.60
2	07-Jul-2018	21:19	62041 62041		0	162.00	109.58	177.52
4	#2 ULS DIESEL, CLEAR					1229.80		1353.71
#62044 62044 Previous Odom: 161563 KM As of: 25-Jun-2018								
2	03-Jul-2018	17:16	62044 62044		134996	147.10	110.30	162.25
2	04-Jul-2018	16:39	62044 62044		146359	235.00	110.73	260.22
2	05-Jul-2018	17:04	62044 62044		146681	141.00	109.23	154.01
2	06-Jul-2018	16:52	62044 62044		147742	153.70		167.89
2	07-Jul-2018	15:08	62044 62044		147514	108.00	109.58	118.35
4	#2 ULS DIESEL, CLEAR			Total KM	*****	784.80		862.72
#62047 62047 Previous Odom: 111 KM As of: 26-Jun-2018								
2	01-Jul-2018	18:26	62047 62047		11	102.20	110.30	112.73
2	03-Jul-2018	17:01	62047 62047		111	95.90		105.78
2	05-Jul-2018	07:29	62047 62047		111	147.30	109.23	160.90
2	05-Jul-2018	17:41	62047 62047		111	93.00		101.58
2	08-Jul-2018	16:06	62047 62047		1	102.80	109.58	112.65
4	#2 ULS DIESEL, CLEAR			Total KM	*****	541.20		593.64
#62053 62053 Previous Odom: 9604 KM As of: 29-Jun-2018								
5	04-Jul-2018	06:03	62053 62053		542165	322.50	110.73	357.10
2	06-Jul-2018	07:30	62053 62053		513228	399.50	109.23	436.37
4	#2 ULS DIESEL, CLEAR			Total KM	503624	722.00		793.47
	L / 100 KM	0.143		COST / KM	0.002			
	Miles / GAL	1970.037		COST / MILE	UNKNOWN			

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PAST DUE INTEREST CHARGED AT 1% PER MONTH (19.55% PER ANNUM ON UNPAID OVERDUE BALANCES)
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FUEL MANAGEMENT SYSTEM DISPENSING REPORTS

MESSENGER FREIGHT SYSTEMS 962425201
150 DENNIS RD.,
ST. THOMAS, ON
N5P0B6

INVOICE NO.: 1099424

H.S.T. REG. NO. 105348619 PAGE NO.: 5

FOR THE PERIOD ENDING: 08-Jul-2018

LOC	VEHICLE	DESC	DATE	TIME	CARD NO.	DRIVER NAME	ODOMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT	
#62055 62055 No Prior Odom Reading Available. No Mileage calculations.											
	2	07-Jul-2018	00:31	62055	62055		0	249.40	109.58	273.29	
	2	08-Jul-2018	03:12	62055	62055		0	126.00		138.07	
	4	#2 ULS DIESEL, CLEAR							375.40		411.36
#62060 62060 Previous Odom: 587150 KM As of: 28-Jun-2018											
	2	04-Jul-2018	11:02	62060	62060		593023	162.20	110.73	179.60	
	2	05-Jul-2018	14:07	62060	62060		176545	252.20	109.23	275.48	
	2	07-Jul-2018	20:23	62060	62060		593310	136.40	109.58	149.47	
	4	#2 ULS DIESEL, CLEAR							Total KM 6160	550.80	604.55
							L / 100 KM 8.942	COST / KM 0.098			
							Miles / GAL 31.586	COST / MILE 0.158			
#62064 62064 No Prior Odom Reading Available. No Mileage calculations.											
	5	01-Jul-2018	13:23	62064	62064		0	215.24	110.30	237.41	
	4	#2 ULS DIESEL, CLEAR							215.24		237.41
#62074 62074 Previous Odom: 600751 KM As of: 30-Jun-2018											
	2	01-Jul-2018	16:17	62074	62074		601229	193.40	110.30	213.82	
	2	06-Jul-2018	14:57	62074	62074		671491	276.60	109.23	302.13	
	2	07-Jul-2018	13:31	62074	62074		671803	143.00	109.58	156.70	
	2	08-Jul-2018	14:47	62074	62074		672289	202.70		222.12	
	4	#2 ULS DIESEL, CLEAR							Total KM 71538	815.70	894.27
							L / 100 KM 1.140	COST / KM 0.013			
							Miles / GAL 247.692	COST / MILE 0.020			
#62076 62076 Previous Odom: 175719 KM As of: 27-Jun-2018											
	2	01-Jul-2018	08:23	62076	62076		128348	325.10	110.30	358.59	
	2	08-Jul-2018	08:42	62076	62076		175295	239.00	109.58	261.90	
	4	#2 ULS DIESEL, CLEAR							Total KM *****	564.10	620.49
#62077 62077 Previous Odom: 8 KM As of: 30-Jun-2018											
	2	05-Jul-2018	13:10	62077	62077		1	346.60	109.23	378.59	
	2	07-Jul-2018	11:20	62077	62077		1	377.30	109.58	413.45	
	4	#2 ULS DIESEL, CLEAR							Total KM *****	723.90	792.04
#62078 62078 Previous Odom: 425998 KM As of: 25-Jun-2018											

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FUEL MANAGEMENT SYSTEM DISPENSING REPORTS

MESSENGER FREIGHT SYSTEMS 962425201
150 DENNIS RD.,
ST. THOMAS, ON
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INVOICE NO.: 1099424

H.S.T. REG. NO. 105348619 PAGE NO.: 6

FOR THE PERIOD ENDING: 08-Jul-2018

LOC	VEHICLE DESC DATE	TIME	CARD NO	DRIVER NAME	ODMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
3	02-Jul-2018	18:31	62078	62078	427811	215.30	110.30	237.48
2	04-Jul-2018	19:50	62078	62078	428398	223.00	110.73	246.93
4	#2 ULS DIESEL, CLEAR				Total KM	2400	438.30	484.41
	L / 100 KM		18.263	COST / KM	0.202			
	Miles / GAL		15.465	COST / MILE	0.325			
#62079 62079 Previous Odom: 10 KM As of: 27-Jun-2018								
2	03-Jul-2018	05:10	62079	62079	7845	339.90	110.30	374.91
2	04-Jul-2018	15:01	62079	62079	7845	252.60	110.73	279.70
2	07-Jul-2018	11:15	62079	62079	7845	385.50	109.58	422.43
4	#2 ULS DIESEL, CLEAR				Total KM	7835	978.00	1077.04
	L / 100 KM		12.482	COST / KM	0.137			
	Miles / GAL		22.626	COST / MILE	0.221			
#62080 62080 Previous Odom: 614128 KM As of: 30-Jun-2018								
2	03-Jul-2018	10:48	62080	62080	614618	200.00	110.30	220.60
2	04-Jul-2018	20:48	62080	62080	615600	340.00	110.73	376.48
4	#2 ULS DIESEL, CLEAR				Total KM	1472	540.00	597.08
	L / 100 KM		36.685	COST / KM	0.406			
	Miles / GAL		7.699	COST / MILE	0.653			
#62081 62081 Previous Odom: 150332 KM As of: 26-Jun-2018								
2	03-Jul-2018	06:53	62081	62081	177444	239.00	110.30	263.62
2	04-Jul-2018	15:42	62081	62081	149007	126.00	110.73	139.52
4	#2 ULS DIESEL, CLEAR				Total KM	*****	365.00	403.14
#62082 62082 Previous Odom: 125957 KM As of: 25-Jun-2018								
2	02-Jul-2018	20:27	62082	62082	0	335.30	110.30	369.84
2	03-Jul-2018	21:50	62082	62082	148700	299.40	110.73	330.24
3	04-Jul-2018	22:11	62082	62082	138765	200.40	110.73	221.90
2	05-Jul-2018	20:26	62082	62082	178550	208.20	109.23	227.42
4	#2 ULS DIESEL, CLEAR				Total KM	52593	1043.30	1149.40
	L / 100 KM		1.984	COST / KM	0.022			
	Miles / GAL		142.372	COST / MILE	0.035			
#62083 62083 Previous Odom: 159061 KM As of: 29-Jun-2018								
2	04-Jul-2018	15:52	62083	62083	601205	326.40	110.73	361.42
4	#2 ULS DIESEL, CLEAR				Total KM	442144	326.40	361.42
	L / 100 KM		0.074	COST / KM	0.001			
	Miles / GAL		3825.769	COST / MILE	UNKNOWN			

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FUEL MANAGEMENT SYSTEM DISPENSING REPORTS

MESSENGER FREIGHT SYSTEMS 962425201
150 DENNIS RD.,
ST. THOMAS, ON
N5P0B6

INVOICE NO.: 1099424

H.S.T. REG. NO. 105348619 PAGE NO.: 7

FOR THE PERIOD ENDING: 08-Jul-2018

OC	VEHICLE-DESC DATE	TIME	CARD NO	DRIVER NAME	ODOMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
#62086	62086	Previous Odom: 573698 KM As of: 29-Jun-2018						
	2 05-Jul-2018	02:39	62086	62086	589448	150.20	109.23	164.06
	2 08-Jul-2018	23:23	62086	62086	178102	392.00	109.58	429.55
	4 #2 ULS DIESEL, CLEAR	Total KM			*****	542.20		593.61
#62087	62087	Previous Odom: 133940 KM As of: 27-Jun-2018						
	2 03-Jul-2018	02:06	62087	62087	136915	185.30	110.30	204.39
	2 04-Jul-2018	06:00	62087	62087	135160	358.40	110.73	396.86
	2 06-Jul-2018	02:42	62087	62087	139715	300.10	109.23	327.80
	2 07-Jul-2018	12:32	62087	62087	141075	400.60	109.58	438.98
	4 #2 ULS DIESEL, CLEAR	Total KM			7135	1244.40		1368.03
	L / 100 KM	17.441	COST / KM		0.192			
	Miles / GAL	16.193	COST / MILE		0.309			
#62089	62089	Previous Odom: 152805 KM As of: 29-Jun-2018						
	2 03-Jul-2018	15:40	62089	62089	163819	92.20	110.30	101.70
	2 04-Jul-2018	18:30	62089	62089	173937	116.60	110.73	129.11
	2 05-Jul-2018	17:51	62089	62089	174189	117.30	109.23	128.13
	2 06-Jul-2018	14:32	62089	62089	174586	121.90		133.15
	4 #2 ULS DIESEL, CLEAR	Total KM			21781	448.00		492.09
	L / 100 KM	2.057	COST / KM		0.023			
	Miles / GAL	137.311	COST / MILE		0.036			
#62091	62091	Previous Odom: 148812 KM As of: 29-Jun-2018						
	2 02-Jul-2018	15:38	62091	62091	149864	336.30	110.30	370.94
	2 07-Jul-2018	07:30	62091	62091	171131	198.50	109.58	217.52
	4 #2 ULS DIESEL, CLEAR	Total KM			22319	534.80		588.46
	L / 100 KM	2.396	COST / KM		0.026			
	Miles / GAL	117.866	COST / MILE		0.042			
#62094	62094	No Prior Odom Reading Available. No Mileage calculations.						
	2 03-Jul-2018	13:57	62094	62094	0	426.40	110.30	470.32
	2 04-Jul-2018	00:42	62094	62094	0	152.30	110.73	168.64
	2 04-Jul-2018	19:56	62094	62094	0	100.20		110.95
	2 06-Jul-2018	00:24	62094	62094	0	285.00	109.23	311.31
	2 07-Jul-2018	00:33	62094	62094	0	239.18	109.58	262.01
	2 07-Jul-2018	13:38	62094	62094	0	342.80		375.64
	4 #2 ULS DIESEL, CLEAR					1545.80		1698.87

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INVOICE NO.: 1099424

H.S.T. REG. NO. 105348619 PAGE NO.: 8

FOR THE PERIOD ENDING: 08-Jul-2018

DATE	VEHICLE DESC DAY	TIME	CARD NO	DRIVER NAME	ODMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
#62096 62096 No Prior Odom Reading Available. No Mileage calculations.								
2	03-Jul-2018	14:28	62096	62096	0	289.10	110.30	318.88
2	04-Jul-2018	05:53	62096	62096	0	143.40	110.73	158.79
2	05-Jul-2018	05:22	62096	62096	0	209.20	109.23	228.51
3	07-Jul-2018	15:00	62096	62096	0	241.50	109.58	264.64
4 #2 ULS-DIESEL, CLEAR						883.20		970.82
#62097 62097 No Prior Odom Reading Available. No Mileage calculations.								
2	01-Jul-2018	20:23	62097	62097	0	360.90	110.30	398.07
2	05-Jul-2018	00:13	62097	62097	0	309.10	109.23	337.63
2	05-Jul-2018	15:55	62097	62097	0	361.10		416.28
2	06-Jul-2018	00:19	62097	62097	0	112.00		122.34
2	08-Jul-2018	16:26	62097	62097	0	163.70	109.58	179.38
4 #2 ULS DIESEL, CLEAR						1326.80		1453.70
#62098 62098 No Prior Odom Reading Available. No Mileage calculations.								
2	02-Jul-2018	13:21	62098	62098	0	209.70	110.30	231.30
3	03-Jul-2018	07:45	62098	62098	0	192.50		212.33
2	04-Jul-2018	12:28	62098	62098	0	321.40	110.73	355.89
2	08-Jul-2018	10:29	62098	62098	0	182.50	109.58	199.98
4 #2 ULS DIESEL, CLEAR						906.10		999.50
#62102 62102 Previous Odom: 410347 KM As of: 27-Jun-2018								
2	01-Jul-2018	19:12	62102	62102	410812	118.90	110.30	131.15
2	01-Jul-2018	19:13	62102	62102	410812	86.10		94.97
2	03-Jul-2018	19:06	62102	62102	592731	58.30		64.30
2	03-Jul-2018	19:07	62102	62102	592731	35.80		39.49
2	04-Jul-2018	08:04	62102	62102	647148	131.60	110.73	145.72
2	04-Jul-2018	08:05	62102	62102	647148	117.00		129.55
4 #2 ULS DIESEL, CLEAR						Total KM 236801	547.70	605.18
L / 100 KM 0.231						COST / KM 0.003		
Miles / GAL 1221.085						COST / MILE 0.004		
#62104 62104 Previous Odom: 127102 KM As of: 28-Jun-2018								
2	01-Jul-2018	16:10	62104	62104	16069	85.50	110.30	94.31
2	02-Jul-2018	19:38	62104	62104	161201	152.50		168.21
3	05-Jul-2018	12:18	62104	62104	411866	466.20	109.23	509.23
2	08-Jul-2018	13:57	62104	62104	601820	241.90	109.58	265.07
4 #2 ULS DIESEL, CLEAR						Total KM 474718	946.10	1036.82
L / 100 KM 0.199						COST / KM 0.002		
Miles / GAL 1417.111						COST / MILE UNKNOWN		

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INVOICE NO.: 1099424

H.S.T. REG. NO. 105348619 PAGE NO.: 9

FOR THE PERIOD ENDING: 08-Jul-2018

Loc	VEHICLE DESC DATE	TIME	CARD NO.	DRIVER NAME	ODOMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
#62105	62105	Previous Odom: 171738 KM As of: 26-Jun-2018						
	2 02-Jul-2018	18:05	62105	62105	12345	272.80	110.30	300.90
	2 05-Jul-2018	16:11	62105	62105	164960	384.40	109.23	419.88
4	#2 ULS DIESEL, CLEAR	Total KM			*****	657.20		720.78
#62106	62106	No Prior Odom Reading Available. No Mileage calculations.						
	2 03-Jul-2018	15:51	62106	62106	0	174.60	110.30	192.58
	2 04-Jul-2018	13:19	62106	62106	0	100.40	110.73	111.17
	3 06-Jul-2018	05:42	62106	62106	0	200.00	109.23	218.46
4	#2 ULS DIESEL, CLEAR	Total KM				475.00		522.21
#62107	62107	Previous Odom: 491674 KM As of: 27-Jun-2018						
	2 01-Jul-2018	14:15	62107	62107	570336	202.00	110.30	222.81
4	#2 ULS DIESEL, CLEAR	Total KM			78662	202.00		222.81
	L / 100 KM 0.257		COST / KM 0.003					
	Miles / GAL 1099.813		COST / MILE 0.005					
#62109	62109	Previous Odom: 152653 KM As of: 29-Jun-2018						
	2 04-Jul-2018	23:57	62109	62109	186898	257.00	110.73	284.58
4	#2 ULS DIESEL, CLEAR	Total KM			34245	257.00		284.58
	L / 100 KM 0.750		COST / KM 0.008					
	Miles / GAL 376.330		COST / MILE 0.013					
#62111	62111	Previous Odom: 334318 KM As of: 30-Jun-2018						
	5 01-Jul-2018	11:39	62111	62111	355618	470.05	110.30	518.47
	2 07-Jul-2018	02:11	62111	62111	590185	182.00	109.58	199.44
	2 08-Jul-2018	15:37	62111	62111	598714	250.00		273.95
4	#2 ULS DIESEL, CLEAR	Total KM			264396	902.05		991.86
	L / 100 KM 0.341		COST / KM 0.004					
	Miles / GAL 827.808		COST / MILE 0.006					
#62112	62112	Previous Odom: 170598 KM As of: 23-Jun-2018						
	2 01-Jul-2018	20:35	62112	62112	147735	195.00	110.30	215.08
	2 03-Jul-2018	22:33	62112	62112	602200	425.00		468.78
	3 08-Jul-2018	19:18	62112	62112	463552	385.00	109.58	421.88
4	#2 ULS DIESEL, CLEAR	Total KM			292954	1005.00		1105.75
	L / 100 KM 0.343		COST / KM 0.004					
	Miles / GAL 823.263		COST / MILE 0.006					

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FUEL MANAGEMENT SYSTEM DISPENSING REPORTS

MESSENGER FREIGHT SYSTEMS 962425201
150 DENNIS RD.,
ST. THOMAS, ON
N5P0B6

INVOICE NO.: 1099424

H.S.T. REG. NO. 105348619 PAGE NO.: 10

FOR THE PERIOD ENDING: 08-Jul-2018

LOC	VEHICLE DESC DAY	TIME	CARD NO	DRIVER NAME	ODOMETER READING	QUANTITY LITRES	RATE	AMOUNT	
#62114	62114	No Prior Odom Reading Available. No Mileage calculations.							
2	04-Jul-2018	06:32	62114	62114	0	406.00	110.73	449.56	
2	06-Jul-2018	14:28	62114	62114	0	71.40	109.23	77.99	
4	#2 ULS DIESEL, CLEAR						477.40		527.55
#62115	62115	No Prior Odom Reading Available. No Mileage calculations.							
3	03-Jul-2018	14:49	62115	62115	0	331.50	110.30	365.64	
2	04-Jul-2018	20:07	62115	62115	0	230.40	110.73	255.12	
2	06-Jul-2018	22:01	62115	62115	0	104.80	109.23	114.47	
2	07-Jul-2018	21:20	62115	62115	0	200.60	109.58	219.82	
4	#2 ULS DIESEL, CLEAR						867.30		955.05
#62117	62117	No Prior Odom Reading Available. No Mileage calculations.							
3	05-Jul-2018	16:54	62117	62117	0	193.10	109.23	210.92	
2	06-Jul-2018	14:46	62117	62117	0	143.50		156.75	
4	#2 ULS DIESEL, CLEAR						336.60		367.67
#62118	62118	Previous Odom: 626898 KM As of: 29-Jun-2018							
2	04-Jul-2018	12:32	62118	62118	91646	232.00	110.73	256.89	
2	04-Jul-2018	15:20	62118	62118	617271	425.00		470.60	
2	06-Jul-2018	20:50	62118	62118	618561	502.70	109.23	549.10	
4	#2 ULS DIESEL, CLEAR	Total KM					*****	1159.70	1276.59
#62121	62121	Previous Odom: 148167 KM As of: 27-Jun-2018							
2	04-Jul-2018	16:16	62121	62121	161919	314.40	110.73	348.14	
2	08-Jul-2018	10:55	62121	62121	179361	272.60	109.58	298.72	
4	#2 ULS DIESEL, CLEAR	Total KM					31194	587.00	646.86
		L / 100 KM	1.882	COST / KM	0.021				
		Miles / GAL	150.085	COST / MILE	0.033				
							Subtotal	43574.90	
ON HST @ 13% Registration #105348619								5664.74	
4	#2 ULS DIESEL, CLEAR	Total					39637.33	49239.64	
							Please pay this amount	=====	

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FUEL MANAGEMENT SYSTEM
DISPENSING REPORTS

MESSENGER FREIGHT SYSTEMS 962425201
150 DENNIS RD.,
ST. THOMAS, ON
N5P0B6

INVOICE NO.: 1099424

H.S.T. REG. NO. 105348619 PAGE NO.: 11

FOR THE PERIOD ENDING: 08-Jul-2018

LOC	VEHICLE DESC DATE	TIME	CARD NO	DRIVER NAME	ODMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
TAXES INCLUDED IN ABOVE SUBTOTAL								
	FEDERAL EXCISE TAX		39637.33 L	4.00 /L				1585.49
	ON PROVINCIAL FUEL TAX		39637.33 L	14.30 /L				5668.14

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PAST DUE INTEREST CHARGED AT 1% PER MONTH (19.58% PER ANNUM ON UNPAID OVERDUE BALANCES
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FUEL MANAGEMENT SYSTEM DISPENSING REPORTS

MESSENGER FREIGHT SYSTEMS 962425404
150 DENNIS RD.,
ST. THOMAS, ON
N5P0B6

INVOICE NO.: 1099425

H.S.T. REG. NO. 105348619 PAGE NO.: 1

FOR THE PERIOD ENDING: 08-Jul-2018

LOT	VEHICLE DESC DATE	TIME	CARD NO.	DRIVER NAME	ODOMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
#62000	62000	Previous Odom: 55 KM As of: 23-Jun-2018						
2	01-Jul-2018	15:28	62000	62000	555	24.11	58.00	13.98
2	08-Jul-2018	13:17	62000	62000	8	48.56		28.16
12	DIESEL EXHAUST FLUID (DEF)			Total KM	*****	72.67		42.14
#62001	62001	No Prior Odom Reading Available. No Mileage calculations.						
2	01-Jul-2018	13:09	62001	62001	0	24.21	58.00	14.04
12	DIESEL EXHAUST FLUID (DEF)					24.21		14.04
#62002	62002	No Prior Odom Reading Available. No Mileage calculations.						
2	07-Jul-2018	07:44	62002	62002	0	21.21	58.00	12.30
12	DIESEL EXHAUST FLUID (DEF)					21.21		12.30
#62005	62005	Previous Odom: 88125 KM As of: 28-Jun-2018						
2	03-Jul-2018	17:56	62005	62005	129852	27.00	58.00	15.66
5	04-Jul-2018	17:33	62005	62005	180363	17.11		9.92
2	08-Jul-2018	15:55	62005	62005	172539	15.01		8.71
12	DIESEL EXHAUST FLUID (DEF)			Total KM	84414	59.12		34.29
		L / 100 KM	0.070	COST / KM	UNKNOWN			
		Miles / GAL	4032.600	COST / MILE	0.001			
#62009	62009	Previous Odom: 587834 KM As of: 30-Jun-2018						
2	04-Jul-2018	12:07	62009	62009	588914	28.03	58.00	16.26
2	06-Jul-2018	06:22	62009	62009	542983	27.30		15.83
12	DIESEL EXHAUST FLUID (DEF)			Total KM	*****	55.33		32.09
#62011	62011	Previous Odom: 492232 KM As of: 29-Jun-2018						
2	05-Jul-2018	10:29	62011	62011	493739	12.62	58.00	7.32
5	06-Jul-2018	18:48	62011	62011	494704	7.00		4.06
12	DIESEL EXHAUST FLUID (DEF)			Total KM	2472	19.62		11.38
		L / 100 KM	0.794	COST / KM	0.005			
		Miles / GAL	355.840	COST / MILE	0.007			
#62012	62012	No Prior Odom Reading Available. No Mileage calculations.						
2	03-Jul-2018	02:39	62012	62012	0	17.66	58.00	10.24
2	07-Jul-2018	01:01	62012	62012	0	21.37		12.39

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FUEL MANAGEMENT SYSTEM DISPENSING REPORTS

MESSENGER FREIGHT SYSTEMS 962425404
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INVOICE NO.: 1099425

H.S.T. REG. NO. 105348619 PAGE NO.: 2

FOR THE PERIOD ENDING: 08-Jul-2018

LOG	VEHICLE DESC DATE	TIME	CARD NO.	DRIVER NAME	ODOMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
	12 DIESEL EXHAUST FLUID (DEF)					39.03		22.63
#62014	62014	Previous Odom: 524199 KM As of: 29-Jun-2018						
	2 05-Jul-2018	20:26	62014	62014	524207	23.00	58.00	13.34
	12 DIESEL EXHAUST FLUID (DEF)			Total KM	8	23.00		13.34
#62015	62015	Previous Odom: 160473 KM As of: 30-Jun-2018						
	2 07-Jul-2018	16:05	62015	62015	166162	15.25	58.00	8.85
	12 DIESEL EXHAUST FLUID (DEF)			Total KM	5689	15.25		8.85
	L / 100 KM	0.268		COST / KM	0.002			
	Miles / GAL	1053.589		COST / MILE	0.003			
#62028	62028	No Prior Odom Reading Available. No Mileage calculations.						
	2 01-Jul-2018	00:50	62028	62028	0	22.68	58.00	13.15
	12 DIESEL EXHAUST FLUID (DEF)					22.68		13.15
#62031	62031	Previous Odom: 716533 KM As of: 29-Jun-2018						
	2 05-Jul-2018	03:36	62031	62031	481170	30.01	58.00	17.41
	12 DIESEL EXHAUST FLUID (DEF)			Total KM	*****	30.01		17.41
#62041	62041	No Prior Odom Reading Available. No Mileage calculations.						
	2 02-Jul-2018	18:42	62041	62041	0	19.03	58.00	11.04
	2 03-Jul-2018	20:36	62041	62041	0	33.90		19.66
	2 04-Jul-2018	23:15	62041	62041	0	16.93		9.82
	12 DIESEL EXHAUST FLUID (DEF)					69.86		40.52
#62047	62047	Previous Odom: 111 KM As of: 26-Jun-2018						
	2 01-Jul-2018	18:24	62047	62047	11	20.81	58.00	12.07
	2 03-Jul-2018	16:59	62047	62047	111	13.65		7.92
	2 05-Jul-2018	07:26	62047	62047	111	20.64		11.97
	2 05-Jul-2018	17:39	62047	62047	11	14.69		8.52
	2 08-Jul-2018	16:04	62047	62047	1	8.77		5.09
	12 DIESEL EXHAUST FLUID (DEF)			Total KM	*****	78.56		45.57
#62053	62053	Previous Odom: 9604 KM As of: 29-Jun-2018						
	2 06-Jul-2018	07:22	62053	62053	513228	33.70	58.00	19.55

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INVOICE NO.: 1099425

H.S.T. REG. NO. 105348619 PAGE NO.: 3

FOR THE PERIOD ENDING: 08-Jul-2018

TOC	VEHICLE DESC DATE	TIME	CARD NO.	DRIVER NAME	ODOMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
	12 DIESEL EXHAUST FLUID (DEF)			Total KM	503624	33.70		19.55
	L / 100 KM	0.007		COST / KM UNKNOWN				
	Miles / GAL	42206.72		COST / MILE UNKNOWN				
#62064	62064	No Prior Odom Reading Available. No Mileage calculations.						
	5 01-Jul-2018	13:27	62064	62064	19	32.18	58.00	18.66
	12 DIESEL EXHAUST FLUID (DEF)					32.18		18.66
#62076	62076	Previous Odom: 175719 KM As of: 27-Jun-2018						
	2 01-Jul-2018	08:16	62076	62076	128348	11.93	58.00	6.92
	12 DIESEL EXHAUST FLUID (DEF)			Total KM	*****	11.93		6.92
#62077	62077	Previous Odom: 8 KM As of: 30-Jun-2018						
	2 07-Jul-2018	11:11	62077	62077	1	34.93	58.00	20.26
	12 DIESEL EXHAUST FLUID (DEF)			Total KM	*****	34.93		20.26
#62082	62082	Previous Odom: 125957 KM As of: 25-Jun-2018						
	2 02-Jul-2018	20:29	62082	62082	145680	16.08	58.00	9.33
	2 03-Jul-2018	21:53	62082	62082	148700	18.00		10.44
	3 04-Jul-2018	22:05	62082	62082	138765	24.00		13.92
	2 05-Jul-2018	20:19	62082	62082	178550	25.02		14.51
	12 DIESEL EXHAUST FLUID (DEF)			Total KM	52593	83.10		48.20
	L / 100 KM	0.158		COST / KM	0.001			
	Miles / GAL	1787.442		COST / MILE	0.001			
#62089	62089	Previous Odom: 152805 KM As of: 29-Jun-2018						
	2 04-Jul-2018	18:28	62089	62089	173937	8.48	58.00	4.92
	2 06-Jul-2018	14:30	62089	62089	0	12.24		7.10
	12 DIESEL EXHAUST FLUID (DEF)			Total KM	*****	20.72		12.02
#62091	62091	Previous Odom: 148812 KM As of: 29-Jun-2018						
	2 02-Jul-2018	15:31	62091	62091	149864	15.81	58.00	9.17
	2 07-Jul-2018	07:23	62091	62091	177131	39.26		22.77
	12 DIESEL EXHAUST FLUID (DEF)			Total KM	28319	55.07		31.94
	L / 100 KM	0.194		COST / KM	0.001			
	Miles / GAL	1452.339		COST / MILE	0.002			

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FUEL MANAGEMENT SYSTEM DISPENSING REPORTS

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INVOICE NO.: 1099425

H.S.T. REG. NO. 105348619 PAGE NO.: 4

FOR THE PERIOD ENDING: 08-Jul-2018

KOC	VEHICLE DESC DATE	TIME	CARD NO	DRIVER NAME	ODOMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
#62094	62094	No Prior Odom Reading Available. No Mileage calculations.						
	2 04-Jul-2018	19:50	62094	62094	0	23.62	58.00	13.70
	2 06-Jul-2018	00:17	62094	62094	0	21.12		12.25
	12 DIESEL EXHAUST FLUID (DEF)					44.74		25.95
#62096	62096	No Prior Odom Reading Available. No Mileage calculations.						
	2 04-Jul-2018	06:03	62096	62096	0	39.85	58.00	23.11
	12 DIESEL EXHAUST FLUID (DEF)					39.85		23.11
#62097	62097	No Prior Odom Reading Available. No Mileage calculations.						
	2 01-Jul-2018	20:14	62097	62097	0	34.12	58.00	19.79
	2 06-Jul-2018	00:17	62097	62097	0	24.98		14.49
	2 08-Jul-2018	16:20	62097	62097	0	29.40		17.05
	12 DIESEL EXHAUST FLUID (DEF)					88.50		51.33
#62104	62104	Previous Odom: 127102 KM As of: 28-Jun-2018						
	2 01-Jul-2018	16:15	62104	62104	160698	6.94	58.00	4.03
	12 DIESEL EXHAUST FLUID (DEF)				33596	6.94		4.03
	L / 100 KM 0.021				Total KM			
	Miles / GAL 13672.03				COST / KM UNKNOWN			
					COST / MILE UNKNOWN			
#62105	62105	Previous Odom: 171738 KM As of: 26-Jun-2018						
	2 02-Jul-2018	17:58	62105	62105	15	28.63	58.00	16.61
	2 05-Jul-2018	16:02	62105	62105	164980	22.08		12.81
	12 DIESEL EXHAUST FLUID (DEF)				Total KM	50.71		29.42
#62106	62106	No Prior Odom Reading Available. No Mileage calculations.						
	2 04-Jul-2018	13:14	62106	62106	0	18.63	58.00	10.81
	12 DIESEL EXHAUST FLUID (DEF)					18.63		10.81
#62109	62109	Previous Odom: 152653 KM As of: 29-Jun-2018						
	2 04-Jul-2018	23:50	62109	62109	166898	17.20	58.00	9.98
	12 DIESEL EXHAUST FLUID (DEF)				34245	17.20		9.98
	L / 100 KM 0.050				Total KM			
	Miles / GAL 5623.075				COST / KM UNKNOWN			
					COST / MILE UNKNOWN			

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INVOICE NO.: 1099425

H.S.T. REG. NO. 105348619 PAGE NO.: 5

FOR THE PERIOD ENDING: 08-Jul-2018

LOC	VEHICLE DESC DATE	TIME	CARD NO	DRIVER NAME	ODOMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
#62112	62112	Previous Odom: 170598 KM As of: 23-Jun-2018						
	3 08-Jul-2018	19:07	62112 62112		163552	36.00	58.00	20.88
	12 DIESEL EXHAUST FLUID (DEF)			Total KM	*****	36.00		20.88
#62114	62114	No Prior Odom Reading Available. No Mileage calculations.						
	2 04-Jul-2018	06:26	62114 62114		0	21.82	58.00	12.66
	12 DIESEL EXHAUST FLUID (DEF)					21.82		12.66
#62117	62117	No Prior Odom Reading Available. No Mileage calculations.						
	2 06-Jul-2018	14:41	62117 62117		0	5.68	58.00	3.29
	12 DIESEL EXHAUST FLUID (DEF)					5.68		3.29
#62118	62118	Previous Odom: 626898 KM As of: 29-Jun-2018						
	2 04-Jul-2018	15:11	62118 62118		617271	20.00	58.00	11.60
	12 DIESEL EXHAUST FLUID (DEF)			Total KM	*****	20.00		11.60
#62121	62121	Previous Odom: 148167 KM As of: 27-Jun-2018						
	2 01-Jul-2018	12:17	62121 62121		176832	17.12	58.00	9.93
	2 04-Jul-2018	16:09	62121 62121		161919	43.03		24.96
	12 DIESEL EXHAUST FLUID (DEF)			Total KM	13752	60.15		34.89
	L / 100 KM	0.437		COST / KM	0.003			
	Miles / GAL	645.707		COST / MILE	0.004			
				Subtotal				703.21
				ON HST @ 13% Registration #105348619				91.43
	12 DIESEL EXHAUST FLUID (DEF)			Total	1212.40			794.64
				Please pay this amount				=====
TAXES INCLUDED IN ABOVE SUBTOTAL								
	FEDERAL EXCISE TAX	1212.40 L	0.00 /L		0.00			

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150 DENNIS RD.,
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N5P0B6

INVOICE NO.: 1100631

H.S.T. REG. NO. 105348619 PAGE NO.: 1

FOR THE PERIOD ENDING: 15-Jul-2018

LOC	VEHICLE-DESC DATE	TIME	CARD NO.	DRIVER-NAME	ODOMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
#62001	62001	No Prior Odom Reading Available. No Mileage calculations.						
	2 11-Jul-2018	14:01	62001	62001	0	180.10	123.95	223.23
	4 #2 ULS DIESEL, CLEAR					180.10		223.23
#62002	62002	No Prior Odom Reading Available. No Mileage calculations.						
	2 09-Jul-2018	07:21	62002	62002	0	263.60	123.58	325.76
	4 #2 ULS DIESEL, CLEAR					263.60		325.76
#62005	62005	Previous Odom: 172539 KM As of: 08-Jul-2018						
	2 11-Jul-2018	18:28	62005	62005	175579	181.10	123.95	224.47
	4 #2 ULS DIESEL, CLEAR			Total KM	3040	181.10		224.47
				L / 100 KM	5.957	COST / KM	0.074	
				Miles / GAL	47.409	COST / MILE	0.119	
#62006	62006	No Prior Odom Reading Available. No Mileage calculations.						
	3 09-Jul-2018	12:01	62006	62006	0	357.50	123.58	441.80
	4 #2 ULS DIESEL, CLEAR					357.50		441.80
#62009	62009	Previous Odom: 542983 KM As of: 06-Jul-2018						
	2 10-Jul-2018	17:14	62009	62009	543576	218.10	123.10	268.48
	2 11-Jul-2018	15:13	62009	62009	592168	303.90	123.95	376.68
	4 #2 ULS DIESEL, CLEAR			Total KM	49185	522.00		645.16
				L / 100 KM	1.061	COST / KM	0.013	
				Miles / GAL	266.114	COST / MILE	0.021	
#62012	62012	No Prior Odom Reading Available. No Mileage calculations.						
	2 10-Jul-2018	06:30	62012	62012	0	133.70	123.10	164.58
	2 10-Jul-2018	20:30	62012	62012	0	218.70		269.22
	4 #2 ULS DIESEL, CLEAR					352.40		433.80
#62014	62014	Previous Odom: 524207 KM As of: 05-Jul-2018						
	2 10-Jul-2018	04:43	62014	62014	524199	118.80	123.10	146.24
	2 10-Jul-2018	22:43	62014	62014	524209	201.10		247.55
	4 #2 ULS DIESEL, CLEAR			Total KM	2	319.90		393.79

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PAST DUE INTEREST CHARGED AT 1 1/2% PER MONTH (19.58%) PER ANNUM ON UNPAID OVERDUE BALANCES
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FUEL MANAGEMENT SYSTEM DISPENSING REPORTS

MESSENGER FREIGHT SYSTEMS 962425201
150 DENNIS RD.,
ST. THOMAS, ON
N5P0B6

INVOICE NO.: 1100631

H.S.T. REG. NO. 105348619 PAGE NO.: 2

FOR THE PERIOD ENDING: 15-Jul-2018

POC	VEHICLE DISC DATE	TIME	CARD NO.	DRIVER NAME	ODOMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
#62015	62015	Previous Odom: 166162 KM As of: 07-Jul-2018						
	5 09-Jul-2018	17:37	62015 62015		174908	253.10	123.58	312.78
	2 10-Jul-2018	16:36	62015 62015		166696	83.00	123.10	102.17
	2 11-Jul-2018	16:37	62015 62015		160078	57.30	123.95	71.02
	4 #2 ULS DIESEL, CLEAR	Total KM			*****	393.40		485.97
#62020	62020	No Prior Odom Reading Available. No Mileage calculations.						
	2 09-Jul-2018	14:27	62020 62020		0	296.70	123.58	366.66
	2 10-Jul-2018	13:44	62020 62020		0	106.00	123.10	130.49
	2 11-Jul-2018	14:24	62020 62020		0	104.20	123.95	129.16
	4 #2 ULS DIESEL, CLEAR					506.90		626.31
#62023	62023	Previous Odom: 571980 KM As of: 08-Jul-2018						
	2 09-Jul-2018	23:54	62023 62023		589634	80.00	123.58	98.86
	2 10-Jul-2018	14:39	62023 62023		648072	342.00	123.10	421.00
	4 #2 ULS DIESEL, CLEAR	Total KM			76092	422.00		519.86
			L / 100 KM	0.555	COST / KM	0.007		
			Miles / GAL	509.251	COST / MILE	0.011		
#62025	62025	Previous Odom: 597553 KM As of: 07-Jul-2018						
	5 09-Jul-2018	22:47	62025 62025		591296	444.01	123.58	548.71
	4 #2 ULS DIESEL, CLEAR	Total KM			*****	444.01		548.71
#62029	62029	No Prior Odom Reading Available. No Mileage calculations.						
	2 09-Jul-2018	15:36	62029 62029		0	114.00	123.58	140.88
	2 10-Jul-2018	15:31	62029 62029		0	140.00	123.10	172.34
	4 #2 ULS DIESEL, CLEAR					254.00		313.22
#62031	62031	Previous Odom: 481170 KM As of: 05-Jul-2018						
	2 11-Jul-2018	06:37	62031 62031		628108	158.10	123.95	195.96
	4 #2 ULS DIESEL, CLEAR	Total KM			146938	158.10		195.96
			L / 100 KM	0.108	COST / KM	0.001		
			Miles / GAL	2624.868	COST / MILE	0.002		
#62034	62034	Previous Odom: 162615 KM As of: 05-Jul-2018						
	2 10-Jul-2018	15:23	62034 62034		163419	306.10	123.10	376.81

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PAST DUE INTEREST CHARGED AT 14% PER MONTH (19.56% PER ANNUM) ON UNPAID OVERDUE BALANCES
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H.S.T. REG. NO. 105348619 PAGE NO.: 3

FOR THE PERIOD ENDING: 15-Jul-2018

LOC	VEHICLE- ID- DATE	TIME	CARD NO	DRIVER NAME	ODMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
4	#2 ULS DIESEL, CLEAR			Total KM	804	306.10		376.81
	L / 100 KM	38.072		COST / KM				0.469
	Miles / GAL	7.418		COST / MILE				0.754
#62036 62036 Previous Odom: 156910 KM As of: 05-Jul-2018								
2	10-Jul-2018	14:14	62036	62036	178508	195.00	123.10	240.04
4	#2 ULS DIESEL, CLEAR			Total KM	21598	195.00		240.05
	L / 100 KM	0.903		COST / KM				0.011
	Miles / GAL	312.812		COST / MILE				0.018
#62038 62038 Previous Odom: 44444 KM As of: 07-Jul-2018								
2	11-Jul-2018	08:15	62038	62038	44444	386.60	123.95	479.19
4	#2 ULS DIESEL, CLEAR					386.60		479.19
#62041 62041 No Prior Odom Reading Available. No Mileage calculations.								
2	09-Jul-2018	13:41	62041	62041	0	303.50	123.58	375.07
2	09-Jul-2018	22:47	62041	62041	0	87.00		107.51
2	10-Jul-2018	14:19	62041	62041	0	185.00	123.10	227.74
2	11-Jul-2018	01:00	62041	62041	0	105.90	123.95	131.26
4	#2 ULS DIESEL, CLEAR					681.40		841.58
#62044 62044 Previous Odom: 147514 KM As of: 07-Jul-2018								
2	10-Jul-2018	05:24	62044	62044	147504	295.00	123.10	363.14
2	11-Jul-2018	16:50	62044	62044	149569	230.20	123.95	285.33
4	#2 ULS DIESEL, CLEAR			Total KM	2055	525.20		648.48
	L / 100 KM	25.557		COST / KM				0.316
	Miles / GAL	11.051		COST / MILE				0.508
#62047 62047 Previous Odom: 1 KM As of: 08-Jul-2018								
2	09-Jul-2018	18:08	62047	62047	1	154.30	123.58	190.68
2	10-Jul-2018	06:19	62047	62047	1	134.50	123.10	165.57
2	10-Jul-2018	17:23	62047	62047	1	102.10		125.69
2	11-Jul-2018	16:49	62047	62047	111	123.60	123.95	153.20
4	#2 ULS DIESEL, CLEAR			Total KM	110	514.50		635.14
	L / 100 KM	467.727		COST / KM				5.774
	Miles / GAL	0.604		COST / MILE				9.292
#62053 62053 Previous Odom: 513228 KM As of: 06-Jul-2018								
2	10-Jul-2018	05:39	62053	62053	601336	220.00	123.10	270.82

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PAST DUE INTEREST CHARGED AT 1.75% PER MONTH (19.56% PER ANNUM ON UNPAID OVERDUE BALANCES
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H.S.T. REG. NO. 105348619 PAGE NO: 4

FOR THE PERIOD ENDING: 15-Jul-2018

LOC	VEHICLE DESC DATE	TIME	CARD NO	DRIVER NAME	ODOMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
	2 11-Jul-2018	17:11	62053	62053	513886	270.00	123.95	334.66
	4 #2 ULS DIESEL, CLEAR			Total KM	658	490.00		605.49
	L / 100 KM	74.468		COST / KM				
	Miles / GAL	3.793		COST / MILE				
	#62055 62055	No Prior Odom Reading Available. No Mileage calculations.						
	3 11-Jul-2018	18:37	62055	62055	95159	244.10	123.95	302.56
	4 #2 ULS DIESEL, CLEAR					244.10		302.56
	#62060 62060	Previous Odom: 593310 KM As of: 07-Jul-2018						
	2 09-Jul-2018	13:53	62060	62060	501015	299.10	123.58	369.63
	2 10-Jul-2018	11:38	62060	62060	595222	303.90	123.10	374.10
	4 #2 ULS DIESEL, CLEAR			Total KM	1912	603.00		743.73
	L / 100 KM	31.538		COST / KM				
	Miles / GAL	8.955		COST / MILE				
	#62064 62064	Previous Odom: 19 KM As of: 01-Jul-2018						
	2 09-Jul-2018	12:40	62064	62064	0	253.50	123.58	313.28
	2 11-Jul-2018	13:01	62064	62064	0	136.80	123.95	169.56
	4 #2 ULS DIESEL, CLEAR			Total KM	*****	390.30		482.84
	#62074 62074	Previous Odom: 672289 KM As of: 08-Jul-2018						
	2 11-Jul-2018	16:13	62074	62074	603717	66.10	123.95	81.93
	4 #2 ULS DIESEL, CLEAR			Total KM	*****	66.10		81.93
	#62076 62076	Previous Odom: 128348 KM As of: 01-Jul-2018						
	2 11-Jul-2018	15:43	62076	62076	598260	221.50	123.95	274.55
	4 #2 ULS DIESEL, CLEAR			Total KM	469912	221.50		274.55
	L / 100 KM	0.047		COST / KM				
	Miles / GAL	5991.671		COST / MILE	UNKNOWN			
	#62078 62078	Previous Odom: 428398 KM As of: 04-Jul-2018						
	2 10-Jul-2018	11:26	62078	62078	412398	216.30	123.10	266.27
	4 #2 ULS DIESEL, CLEAR			Total KM	*****	216.30		266.27
	#62079 62079	Previous Odom: 7845 KM As of: 07-Jul-2018						

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INVOICE NO.: 1100631

H.S.T. REG. NO. 105348619 PAGE NO.: 5

FOR THE PERIOD ENDING: 15-Jul-2018

EQC	VEHICLE DISC DATE	TIME	CARD NO	DRIVER/NAME	ODOMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
	2 09-Jul-2018	15:14	62079	62079	7845	307.20	123.58	379.64
	2 10-Jul-2018	12:32	62079	62079	456	115.40	123.10	142.06
	5 11-Jul-2018	16:24	62079	62079	7845	143.50	123.95	177.87
	4 #2 ULS DIESEL, CLEAR					566.10		699.57
#62080 62080 Previous Odom: 615600 KM As of: 04-Jul-2018								
	2 10-Jul-2018	11:26	62080	62080	616661	389.80	123.10	479.84
	4 #2 ULS DIESEL, CLEAR			Total KM	1061	389.80		479.84
	L / 100 KM	36.739		COST / KM	0.452			
	Miles / GAL	7.687		COST / MILE	0.728			
#62081 62081 Previous Odom: 149007 KM As of: 04-Jul-2018								
	2 09-Jul-2018	10:11	62081	62081	594362	376.30	123.58	465.03
	2 10-Jul-2018	06:05	62081	62081	188024	217.40	123.10	267.62
	2 11-Jul-2018	09:49	62081	62081	613995	165.50	123.95	205.14
	4 #2 ULS DIESEL, CLEAR			Total KM	464988	759.20		937.79
	L / 100 KM	0.163		COST / KM	0.002			
	Miles / GAL	1729.779		COST / MILE	UNKNOWN			
#62082 62082 Previous Odom: 178550 KM As of: 05-Jul-2018								
	2 09-Jul-2018	20:47	62082	62082	0	249.70	123.58	308.58
	2 11-Jul-2018	16:41	62082	62082	412825	143.40	123.95	177.74
	4 #2 ULS DIESEL, CLEAR			Total KM	234275	393.10		486.32
	L / 100 KM	0.168		COST / KM	0.002			
	Miles / GAL	1683.170		COST / MILE	0.003			
#62083 62083 Previous Odom: 601205 KM As of: 04-Jul-2018								
	2 10-Jul-2018	15:21	62083	62083	428774	154.20	123.10	189.82
	4 #2 ULS DIESEL, CLEAR			Total KM	*****	154.20		189.82
#62086 62086 Previous Odom: 178102 KM As of: 08-Jul-2018								
	2 10-Jul-2018	01:35	62086	62086	183349	163.00	123.10	200.65
	2 11-Jul-2018	00:09	62086	62086	542271	183.00	123.95	226.83
	4 #2 ULS DIESEL, CLEAR			Total KM	364169	346.00		427.48
	L / 100 KM	0.095		COST / KM	0.001			
	Miles / GAL	2972.569		COST / MILE	UNKNOWN			
#62087 62087 Previous Odom: 141075 KM As of: 07-Jul-2018								

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H.S.T. REG. NO. 105348619 PAGE NO.: 6

FOR THE PERIOD ENDING: 15-Jul-2018

LOC	VEHICLE	DESC	DATE	TIME	CARD NO	DRIVER NAME	ODMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
2	09-Jul-2018		02:39	62087	62087		93325	190.30	123.58	235.17
3	10-Jul-2018		04:04	62087	62087		94275	300.00	123.10	369.30
4	#2 ULS DIESEL, CLEAR					Total KM	*****	490.30		604.47
#62089 62089 No Prior Odom Reading Available. No Mileage calculations.										
2	09-Jul-2018		06:50	62089	62089		175693	150.00	123.58	185.37
2	10-Jul-2018		15:31	62089	62089		176587	249.80	123.10	307.50
2	11-Jul-2018		16:21	62089	62089		0	120.00	123.95	148.74
4	#2 ULS DIESEL, CLEAR							519.80		641.61
#62093 62093 Previous Odom: 146700 KM As of: 28-Jun-2018										
2	10-Jul-2018		21:34	62093	62093		178459	426.80	123.10	525.39
4	#2 ULS DIESEL, CLEAR					Total KM	31759	426.80		525.39
						L / 100 KM	1.344	COST / KM	0.017	
						Miles / GAL	210.159	COST / MILE	0.027	
#62094 62094 No Prior Odom Reading Available. No Mileage calculations.										
2	11-Jul-2018		01:00	62094	62094		0	112.20	123.95	139.07
4	#2 ULS DIESEL, CLEAR							112.20		139.07
#62096 62096 No Prior Odom Reading Available. No Mileage calculations.										
2	10-Jul-2018		13:29	62096	62096		0	163.90	123.10	201.76
2	11-Jul-2018		14:22	62096	62096		0	363.40	123.95	450.43
4	#2 ULS DIESEL, CLEAR							527.30		652.19
#62097 62097 No Prior Odom Reading Available. No Mileage calculations.										
2	09-Jul-2018		01:15	62097	62097		0	200.30	123.58	247.53
2	10-Jul-2018		01:07	62097	62097		0	347.30	123.10	427.53
2	11-Jul-2018		02:44	62097	62097		0	302.50	123.95	374.95
4	#2 ULS DIESEL, CLEAR							850.10		1050.01
#62098 62098 No Prior Odom Reading Available. No Mileage calculations.										
5	11-Jul-2018		08:19	62098	62098		0	400.09	123.95	495.91
4	#2 ULS DIESEL, CLEAR							400.09		495.91

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FOR THE PERIOD ENDING: 15-Jul-2018

LOT	VEHICLE DESC DATE	TIME	CARD NO.	DRIVER NAME	ODIOMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
#62102	62102	Previous Odom: 647148 KM As of: 04-Jul-2018						
2	10-Jul-2018	03:05	62102	62102	591470	83.60	123.10	102.91
2	10-Jul-2018	03:06	62102	62102	591470	67.30		82.85
4	#2 ULS DIESEL, CLEAR	Total KM			*****	150.90		185.76
#62104	62104	Previous Odom: 160698 KM As of: 01-Jul-2018						
2	09-Jul-2018	19:17	62104	62104	602262	60.00	123.58	74.15
2	09-Jul-2018	19:23	62104	62104	602262	93.70		115.79
2	10-Jul-2018	16:43	62104	62104	602442	91.50	123.10	112.64
4	#2 ULS DIESEL, CLEAR	Total KM			441744	245.20		302.58
	L / 100 KM	0.056	COST / KM		0.001			
	Miles / GAL	5088.096	COST / MILE		UNKNOWN			
#62105	62105	Previous Odom: 164980 KM As of: 05-Jul-2018						
2	09-Jul-2018	19:56	62105	62105	495475	312.70	123.58	386.43
4	#2 ULS DIESEL, CLEAR	Total KM			330495	312.70		386.43
	L / 100 KM	0.095	COST / KM		0.001			
	Miles / GAL	2984.985	COST / MILE		0.002			
#62106	62106	No Prior Odom Reading Available. No Mileage calculations.						
2	11-Jul-2018	15:08	62106	62106	0	347.50	123.95	430.73
4	#2 ULS DIESEL, CLEAR	Total KM				347.50		430.73
#62112	62112	Previous Odom: 163552 KM As of: 08-Jul-2018						
2	09-Jul-2018	19:51	62112	62112	149950	345.00	123.58	426.35
4	#2 ULS DIESEL, CLEAR	Total KM			*****	345.00		426.35
#62113	62113	Previous Odom: 162114 KM As of: 28-Jun-2018						
2	11-Jul-2018	17:00	62113	62113	156358	161.20	123.95	199.81
4	#2 ULS DIESEL, CLEAR	Total KM			*****	161.20		199.81
#62114	62114	No Prior Odom Reading Available. No Mileage calculations.						
2	11-Jul-2018	11:57	62114	62114	0	250.70	123.95	310.74
4	#2 ULS DIESEL, CLEAR	Total KM				250.70		310.74

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FOR THE PERIOD ENDING: 15-Jul-2018

LOC	VEHICLE DESC DATE	TIME	CARD NO	DRIVER NAME	ODOMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
#62115	62115	No Prior Odom Reading Available. No Mileage calculations.						
2	10-Jul-2018	21:39	62115	62115	0	80.40	123.10	98.97
4	#2 ULS DIESEL, CLEAR					80.40		98.97
#62117	62117	No Prior Odom Reading Available. No Mileage calculations.						
2	10-Jul-2018	05:26	62117	62117	0	241.40	123.10	297.16
5	11-Jul-2018	16:27	62117	62117	0	253.14	123.95	313.77
4	#2 ULS DIESEL, CLEAR					494.54		610.93
#62118	62118	Previous Odom: 617271 KM As of: 04-Jul-2018						
2	10-Jul-2018	06:00	62118	62118	620101	503.50	123.10	619.81
2	10-Jul-2018	06:06	62118	62118	620101	78.00		96.02
4	#2 ULS DIESEL, CLEAR					Total KM 2830	581.50	715.83
						L / 100 KM 20.548	COST / KM 0.253	
						Miles / GAL 13.745	COST / MILE 0.407	
#62121	62121	Previous Odom: 161919 KM As of: 04-Jul-2018						
3	09-Jul-2018	16:12	62121	62121	142055	295.00	123.58	364.56
4	#2 ULS DIESEL, CLEAR					Total KM *****	295.00	364.56
Subtotal								22718.82
ON HST @ 13% Registration #105348619								2953.46
4	#2 ULS DIESEL, CLEAR					Total 18394.74		25672.28
Please pay this amount								=====
TAXES INCLUDED IN ABOVE SUBTOTAL								
	FEDERAL EXCISE TAX	18394.74 L	4.00 /L		735.79			
	ON PROVINCIAL FUEL TAX	18394.74 L	14.30 /L		2630.45			

Locations: 1=Hill St, 2=Preston, 3=401 & 97, 4=Waterloo, 5=Guelph, 6=Strasburg

PAST DUE INTEREST CHARGED AT 1 1/2% PER MONTH (18.56%) PER ANNUM ON UNPAID OVERDUE BALANCES
PLEASE MAKE ALL PAYMENTS TO TRANSIT PETROLEUM INC.

Customer Information

Customer Code: 96246010 Attention Name : Nathan McDaniel ext 107
 Customer Name: MESSENGER FREIGHT SYSTEMS - CST* Attention Phone: (519) 631-9604 ext.
 Street : 1787930 ONTARIO INC 150 DENNIS RD N5P 0B6
 City : ST THOMAS Phone 1 : (
 State : ONTARIO Terms : NET 14 DAYS FROM INVOICE DATE
 Postal Code : N5P 0B6 Credit Limit : \$200,000.00

Balance Information

Balance	0 to 30	31 to 60	61 to 90
\$48,945.26	\$0.00	\$0.00	\$19,055.88
91 to 120	121 to 150	Over 150	
\$29,889.38	\$0.00	\$0.00	

Open Invoices

Doc Num	Doc Date	Due Date	Amt Net	Amt Paid	Balance	Cust PO#
Desc	Doc Num	Doc Date	Amount	On Acct		
FMS1094606	6/10/2018	6/24/2018	\$8,873.06	(\$5,070.82)	\$3,802.24	FMS
CASH RCT	AREFT0000176	7/5/2018	(\$5,070.82)			
FMS1094607	6/10/2018	6/24/2018	\$103.13	\$0.00	\$103.13	FMS
FMS1095842	6/17/2018	7/1/2018	\$10,476.73	\$0.00	\$10,476.73	FMS
FMS1095843	6/17/2018	7/1/2018	\$230.92	\$0.00	\$230.92	FMS
FMS1097064	6/24/2018	7/8/2018	\$8,179.19	\$0.00	\$8,179.19	FMS
FMS1097065	6/24/2018	7/8/2018	\$76.81	\$0.00	\$76.81	FMS
FMS1098271	6/30/2018	7/14/2018	\$6,877.20	\$0.00	\$6,877.20	FMS
FMS1098272	6/30/2018	7/14/2018	\$143.16	\$0.00	\$143.16	FMS
FMS1099442	7/8/2018	7/22/2018	\$11,350.03	\$0.00	\$11,350.03	FMS
FMS1099443	7/8/2018	7/22/2018	\$102.11	\$0.00	\$102.11	FMS
FMS1100647	7/15/2018	7/29/2018	\$7,411.55	\$0.00	\$7,411.55	FMS
FMS1100648	7/15/2018	7/29/2018	\$192.19	\$0.00	\$192.19	FMS

POST
NOT



Transit Petroleum

INVOICE

5 Hill Street, P.O. Box 1720, Kitchener, Ontario N2G 4R3 Tel: (519) 571-1220 Fax: (519) 579-8920 Email: fmsinv@transitfuel.com

FUEL MANAGEMENT SYSTEM DISPENSING REPORTS

MESSENGER FREIGHT SYSTEMS-CST 962460105
1787930 ONTARIO INC.
150 DENNIS ROAD,
ST. THOMAS, ON
N5P0B6

INVOICE NO.: 1099442

H.S.T. REG. NO. 105348619 PAGE NO.: 1

FOR THE PERIOD ENDING: 08-Jul-2018

VEHICLE	ESC	TIME	CARD NO.	DRIVER NAME	ODOMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
#0006 UNIT 1001 Previous Odom: 616733 KM As of: 28-Jun-2018								
ON H	01-Jul-2018	20:25	80006	UNIT 1001	617962	496.87	111.80	555.50
ON H	03-Jul-2018	01:37	80006	UNIT 1001	619249	503.03		562.39
ON H	04-Jul-2018	05:17	80006	UNIT 1001	620585	471.08	106.00	499.34
QC H	05-Jul-2018	18:58	80006	UNIT 1001	691945	489.03	109.20	534.02
QC H	06-Jul-2018	19:26	80006	UNIT 1001	623123	479.96	109.40	525.08
ON H	08-Jul-2018	23:20	80006	UNIT 1001	624274	404.77	105.90	428.65
4 #2 ULS DIESEL, CLEAR					Total KM	7541	2844.74	3104.98
L / 100 KM					37.724	COST / KM	0.412	
Miles / GAL					7.487	COST / MILE	UNKNOWN	
#0016 DRIVER 9 No Prior Odom Reading Available. No Mileage calculations.								
ON H	04-Jul-2018	06:28	80016	DRIVER 9	747336	727.32	107.75	783.69
ON H	05-Jul-2018	22:13	80016	DRIVER 9	748920	700.73	108.95	763.45
ON H	08-Jul-2018	23:27	80016	DRIVER 9	750466	659.14	115.29	759.92
4 #2 ULS DIESEL, CLEAR						2087.19		2307.06
#0024 DRIVER 17 Previous Odom: 600146 KM As of: 21-Jun-2018								
ON H	03-Jul-2018	23:57	80024	DRIVER 17	601597	550.60	109.25	601.53
ON H	05-Jul-2018	19:26	80024	DRIVER 17	602905	503.52	107.74	542.49
4 #2 ULS DIESEL, CLEAR					Total KM	2759	1054.12	1144.02
L / 100 KM					38.207	COST / KM	0.415	
Miles / GAL					7.392	COST / MILE	0.667	
#0496 DRIVER 15 Previous Odom: 729153 KM As of: 26-Jun-2018								
ON H	02-Jul-2018	16:15	80496	DRIVER 15	731555	388.47	108.00	419.55
ON H	03-Jul-2018	16:38	80496	DRIVER 15	732619	464.88		502.07
ON H	04-Jul-2018	20:36	80496	DRIVER 15	733773	467.96	107.75	504.23
ON H	05-Jul-2018	17:18	80496	DRIVER 15	734705	202.80	110.30	223.69
ON H	05-Jul-2018	17:24	80496	DRIVER 15	734705	171.76		189.45
4 #2 ULS DIESEL, CLEAR					Total KM	5552	1695.87	1838.99
L / 100 KM					30.545	COST / KM	0.331	
Miles / GAL					9.246	COST / MILE	0.533	
#0498 DRIVER 33 No Prior Odom Reading Available. No Mileage calculations.								
ON H	02-Jul-2018	10:18	80498	DRIVER 33	0	530.44	107.50	570.22
ON H	03-Jul-2018	10:39	80498	DRIVER 33	0	478.28	109.25	522.52
ON H	04-Jul-2018	20:27	80498	DRIVER 33	0	499.28	107.75	537.97
4 #2 ULS DIESEL, CLEAR						1508.00		1630.71

Locations: 1=Hill St, 2=Preston, 3=401 & 97, 4=Waterloo, 5=Guelph, 6=Strasburg

PAST DUE INTEREST CHARGED AT 1 1/2% PER MONTH (19.58% PER ANNUM) ON UNPAID OVERDUE BALANCES
PLEASE MAKE ALL PAYMENTS TO TRANSIT PETROLEUM INC.



Transit Petroleum

INVOICE

5 Hill Street, P.O. Box 1720, Kitchener, Ontario N2G 4R3 Tel: (519) 571-1220 Fax: (519) 579-8920 Email: fmsinv@transitfuel.com

FUEL MANAGEMENT SYSTEM
DISPENSING REPORTS

MESSENGER FREIGHT SYSTEMS-CST 962460105
1787930 ONTARIO INC.
150 DENNIS ROAD,
ST. THOMAS, ON
NSPOB6

INVOICE NO.: 1099442

H.S.T. REG. NO. 105348619 PAGE NO.: 2

FOR THE PERIOD ENDING: 08-Jul-2018

LOC	VEHICLE DESC DATE	TIME	CARD NO.	DRIVER NAME	METER READING	QUANTITY (LITRES)	PRICE	AMOUNT
								Subtotal 10025.76
								ON HST @ 13% Registration #105348619 1165.67
								QC QST @ 9.975% Registration #1223355010 105.65
								QC GST @ 5% Registration #105348619 52.95

						4 #2 ULS DIESEL, CLEAR	Total 9189.92	11350.03
							Please pay this amount	=====
						TAXES INCLUDED IN ABOVE SUBTOTAL		

						FEDERAL EXCISE TAX	9189.92 L 4.00 /L	367.60
						ON PROVINCIAL FUEL TAX	8220.93 L 14.30 /L	1175.59
						QC PROVINCIAL FUEL TAX	968.99 L varies /L	195.74

Locations: 1=Hill St, 2=Preston, 3=401 & 97, 4=Waterloo, 5=Guelph, 6=Strasburg
 FAST DUE INTEREST CHARGED AT 1% PER MONTH (19.56% PER ANNUM) ON UNPAID OVERDUE BALANCES
 PLEASE MAKE ALL PAYMENTS TO TRANSIT PETROLEUM INC.



Transit Petroleum

INVOICE

5 Hill Street, P.O. Box 1720, Kitchener, Ontario N2G 4R3 Tel: (519) 571-1220 Fax: (519) 579-8920 Email: fmsinv@transitfuel.com

FUEL MANAGEMENT SYSTEM DISPENSING REPORTS

MESSENGER FREIGHT SYSTEMS-CST 962460205
1787930 ONTARIO INC.
150 DENNIS ROAD,
ST. THOMAS, ON
N5P0B6

INVOICE NO.: 1099443

H.S.T. REG. NO. 105348619 PAGE NO.: 1

FOR THE PERIOD ENDING: 08-Jul-2018

LOC	VEHICLEDESC DATE	TIME	CARD NO.	DRIVER NAME	ODOMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
	#0006 UNIT 1001	Previous Odom: 616733 KM As of: 28-Jun-2018						
ON H	08-Jul-2018	23:14	80006	UNIT 1001	624274	64.95	72.20	46.89
	12 DIESEL EXHAUST FLUID (DEF)			Total KM	7541	64.95		46.89
	L / 100 KM	0.861	COST / KM		0.006			
	Miles / GAL	327.910	COST / MILE		0.010			
	#0016 DRIVER 9	No Prior Odom Reading Available. No Mileage calculations.						
ON H	04-Jul-2018	06:30	80016	DRIVER 9	0	22.21	72.19	16.03
	12 DIESEL EXHAUST FLUID (DEF)					22.21		16.03
	#0024 DRIVER 17	Previous Odom: 600146 KM As of: 21-Jun-2018						
ON H	04-Jul-2018	00:01	80024	DRIVER 17	601597	38.00	72.21	27.44
	12 DIESEL EXHAUST FLUID (DEF)			Total KM	1451	38.00		27.44
	L / 100 KM	2.619	COST / KM		0.019			
	Miles / GAL	107.842	COST / MILE		0.030			
	Subtotal							90.36
	ON HST @ 13% Registration #105348619							11.75
	12 DIESEL EXHAUST FLUID (DEF)			Total	125.16			102.11
	Please pay this amount							=====
	TAXES INCLUDED IN ABOVE SUBTOTAL							
	FEDERAL EXCISE TAX	125.16 L	0.00 /L		0.00			

Locations: 1=Hill St, 2=Preston, 3=401 & 97, 4=Waterloo, 5=Guelph, 6=Strasburg

FAST DUE INTEREST CHARGED AT 1 1/2% PER MONTH (19.56%) PER ANNUM ON UNPAID OVERDUE BALANCES
PLEASE MAKE ALL PAYMENTS TO TRANSIT PETROLEUM INC.



Transit Petroleum

INVOICE

5 Hill Street, P.O. Box 1720, Kitchener, Ontario N2G 4R3 Tel: (519) 571-1220 Fax: (519) 579-8920 Email: fmsinv@transitfuel.com

FUEL MANAGEMENT SYSTEM DISPENSING REPORTS

MESSENGER FREIGHT SYSTEMS-CST 962460105
1787930 ONTARIO INC.
150 DENNIS ROAD,
ST. THOMAS, ON
N5P0B6

INVOICE NO.: 1100647

H.S.T. REG. NO. 105348619 PAGE NO.: 1

FOR THE PERIOD ENDING: 15-Jul-2018

LOC	VEHICLE DESC DATE	TIME	CARD NO	DRIVER NAME	ODOMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT
#0006	UNIT 1001	Previous Odom: 624274 KM As of: 08-Jul-2018						
ON H	10-Jul-2018	15:42	80006	UNIT 1001	625423	438.42	119.60	524.35
ON H	12-Jul-2018	02:26	80006	UNIT 1001	626737	495.05	120.50	596.54
4 #2	ULS DIESEL, CLEAR	Total KM			2463	933.47		1120.89
	L / 100 KM	37.900	COST / KM		0.455			
	Miles / GAL	7.452	COST / MILE		0.732			
#0016	DRIVER 9	No Prior Odom Reading Available. No Mileage calculations.						
ON H	10-Jul-2018	21:21	80016	DRIVER 9	752390	800.01	120.10	960.81
4 #2	ULS DIESEL, CLEAR					800.01		960.81
#0024	DRIVER 17	Previous Odom: 601597 KM As of: 04-Jul-2018						
ON H	10-Jul-2018	00:14	80024	DRIVER 17	604257	518.63	118.80	616.13
ON H	11-Jul-2018	17:38	80024	DRIVER 17	605180	349.84	122.25	427.68
4 #2	ULS DIESEL, CLEAR	Total KM			3583	868.47		1043.81
	L / 100 KM	24.239	COST / KM		0.291			
	Miles / GAL	11.652	COST / MILE		0.459			
#0496	DRIVER 15	Previous Odom: 734705 KM As of: 05-Jul-2018						
ON H	09-Jul-2018	19:30	80496	DRIVER 15	735932	545.13	118.80	647.61
ON H	10-Jul-2018	21:25	80496	DRIVER 15	736777	373.16	121.36	452.87
ON H	11-Jul-2018	21:23	80496	DRIVER 15	737865	338.74	123.45	418.17
ON H	11-Jul-2018	21:27	80496	DRIVER 15	0	100.73		124.35
4 #2	ULS DIESEL, CLEAR	Total KM			*****	1357.76		1643.00
#0498	DRIVER 33	No Prior Odom Reading Available. No Mileage calculations.						
ON H	09-Jul-2018	08:48	80498	DRIVER 33	0	529.77	120.55	638.64
ON H	10-Jul-2018	17:14	80498	DRIVER 33	0	497.85	123.90	616.84
ON H	11-Jul-2018	19:15	80498	DRIVER 33	0	443.89	120.50	534.89
4 #2	ULS DIESEL, CLEAR					1471.51		1790.37
							Subtotal	6558.88
ON HST @ 13% Registration #105348619								852.67
							Total	5431.22.
4 #2 ULS DIESEL, CLEAR								7411.55
							Please pay this amount	=====

Locations: 1=Hill St, 2=Preston, 3=401 & 97, 4=Waterloo, 5=Guelph, 6=Strasburg

PAST DUE INTEREST CHARGED AT 1 1/2% PER MONTH (19.56%) PER ANNUM ON UNPAID OVERDUE BALANCES
PLEASE MAKE ALL PAYMENTS TO TRANSIT PETROLEUM INC.



Transit Petroleum

INVOICE

5 Hill Street, P.O. Box 1720, Kitchener, Ontario N2G 4R3 Tel: (519) 571-1220 Fax: (519) 579-8920 Email: fmsinv@transitfuel.com

FUEL MANAGEMENT SYSTEM
DISPENSING REPORTS

MESSENGER FREIGHT SYSTEMS-CST 962460105
1787930 ONTARIO INC.
150 DENNIS ROAD,
ST. THOMAS, ON
N5P0B6

INVOICE NO.: 1100647

H.S.T. REG. NO. 105348619 PAGE NO.: 2

FOR THE PERIOD ENDING: 15-Jul-2018

LOC	VEHICLE DESC DATE	TIME	CARD NO	DRIVER NAME	ODOMETER READING	QUANTITY (LITRES)	PRIC	AMOUNT
TAXES INCLUDED IN ABOVE SUBTOTAL								
	FEDERAL EXCISE TAX		5431.22 L	4.00 /L		217.25		
	ON PROVINCIAL FUEL TAX		5431.22 L	14.30 /L		776.66		

Locations: 1=Hill St, 2=Preston, 3=401 & 97, 4=Waterloo, 5=Guelph, 6=Strasburg

PAST DUE INTEREST CHARGED AT 1 1/2% PER MONTH (19.56%) PER ANNUM ON UNPAID OVERDUE BALANCES
PLEASE MAKE ALL PAYMENTS TO TRANSIT PETROLEUM, INC.



Transit Petroleum

INVOICE

5 Hill Street, P.O. Box 1720, Kitchener, Ontario N2G 4R3 Tel: (519) 571-1220 Fax: (519) 579-8920 Email: fmsinv@transitfuel.com

FUEL MANAGEMENT SYSTEM DISPENSING REPORTS

MESSENGER FREIGHT SYSTEMS-CST 962460205
1787930 ONTARIO INC.
150 DENNIS ROAD,
ST. THOMAS, ON
N5P0B6

INVOICE NO.: 1100648

H.S.T. REG. NO. 105348619 PAGE NO.: 1

FOR THE PERIOD ENDING: 15-Jul-2018

TRC	VEHICLE DESC DATE	TIME	CARD NO	DRIVER NAME	ODOMETER READING	QUANTITY (LITRES)	PRICE	AMOUNT	
#0016	DRIVER 9	No Prior Odom Reading Available. No Mileage calculations.							
ON H	10-Jul-2018	21:27	80016	DRIVER 9	0	70.00	78.70	55.09	
	12 DIESEL EXHAUST FLUID (DEF)					70.00		55.09	
#0024	DRIVER 17	Previous Odom: 601597 KM As of: 04-Jul-2018							
ON H	10-Jul-2018	00:17	80024	DRIVER 17	604257	38.01	78.69	29.91	
	12 DIESEL EXHAUST FLUID (DEF)				Total KM 2660	38.01		29.91	
	L / 100 KM	1.429			COST / KM	0.011			
	Miles / GAL	197.646			COST / MILE	0.018			
#0496	DRIVER 15	Previous Odom: 734705 KM As of: 05-Jul-2018							
ON H	09-Jul-2018	19:35	80496	DRIVER 15	735932	62.76	78.70	49.39	
	12 DIESEL EXHAUST FLUID (DEF)				Total KM 1227	62.76		49.39	
	L / 100 KM	5.115			COST / KM	0.040			
	Miles / GAL	55.216			COST / MILE	0.065			
#0498	DRIVER 33	No Prior Odom Reading Available. No Mileage calculations.							
ON H	09-Jul-2018	08:50	80498	DRIVER 33	0	45.35	78.69	35.69	
	12 DIESEL EXHAUST FLUID (DEF)					45.35		35.69	
	Subtotal							170.08	
	ON HST @ 13% Registration #105348619							22.11	
	12 DIESEL EXHAUST FLUID (DEF)				Total	216.12		192.19	
	TAXES INCLUDED IN ABOVE SUBTOTAL							Please pay this amount	=====
	FEDERAL EXCISE TAX	216.12 L	0.00 /L		0.00				

Locations: 1=Hill St, 2=Preston, 3=401 & 97, 4=Waterloo, 5=Guelph, 6=Strasburg

PAST DUE INTEREST CHARGED AT 1 1/2% PER MONTH (19.56%) PER ANNUM ON UNPAID OVERDUE BALANCES
PLEASE MAKE ALL PAYMENTS TO TRANSIT PETROLEUM INC

TAB

“F”

Customer Information

Customer Code: 96242510 Attention Name : Nathan- nathan@messengerfreight.ca
 Customer Name: MESSENGER FREIGHT SYSTEMS* Attention Phone: (519) 631-9604 ext.
 Street : 1787930 ONTARIO INC 150 DENNIS RD N5P 4B1
 City : ST THOMAS Phone 1 : (
 State : ONTARIO Terms : NET 14 DAYS FROM INVOICE DATE
 Postal Code : N5P 4B1 Credit Limit : \$250,000.00

Balance Information

Balance	0 to 30	31 to 60	61 to 90
\$202,280.61	\$0.00	\$0.00	\$76,225.79
91 to 120	121 to 150	Over 150	
\$162,054.82	\$0.00	\$0.00	

On Account

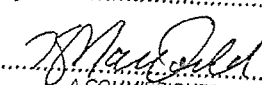
Desc	Doc Num	Doc Date	Amount	On Acct Amount
CASH RCT	AREFT0000180	7/11/2018	(\$36,000.00)	(\$36,000.00)

Payment not applied against invoices

Open Invoices

Doc Num	Doc Date	Due Date	Amt Net	Amt Paid	Balance	Cust PO#
Desc	Doc Num	Doc Date	Amount	On Acct		
FMS1094583	6/10/2018	6/24/2018	\$46,866.23	(\$19,530.78)	\$27,335.45	FMS
CASH RCT	AREFT0000176	7/5/2018	(\$19,530.78)			
FMS1094584	6/10/2018	6/24/2018	\$713.20	\$0.00	\$713.20	FMS
FMS1095819	6/17/2018	7/1/2018	\$40,372.51	\$0.00	\$40,372.51	FMS
FMS1095820	6/17/2018	7/1/2018	\$699.86	\$0.00	\$699.86	FMS
FMS1097047	6/24/2018	7/8/2018	\$46,117.37	\$0.00	\$46,117.37	FMS
FMS1097048	6/24/2018	7/8/2018	\$720.14	\$0.00	\$720.14	FMS
FMS1098253	6/30/2018	7/14/2018	\$45,312.48	\$0.00	\$45,312.48	FMS
FMS1098254	6/30/2018	7/14/2018	\$783.81	\$0.00	\$783.81	FMS
FMS1099424	7/8/2018	7/22/2018	\$49,239.64	\$0.00	\$49,239.64	FMS
FMS1099425	7/8/2018	7/22/2018	\$794.64	\$0.00	\$794.64	FMS
FMS1100631	7/15/2018	7/29/2018	\$25,672.28	\$0.00	\$25,672.28	FMS
FMS1100632	7/15/2018	7/29/2018	\$519.23	\$0.00	\$519.23	FMS

Post Add


This is Exhibit F referred to in the affidavit of Don Post sworn before me, this 4 day of October 2018.

 A COMMISSIONER FOR TAKING AFFIDAVITS

Kennedy Erin MacDonal, a Commissioner, etc.,
 Province of Ontario, while a Student-at-Law.
 Expires June 12, 2020.

TAB

“G”

94

This is Exhibit 6 referred to in the
affidavit of Dan Ross
sworn before me, this 4
day of October 2018

A COMMISSIONER FOR TAKING AFFIDAVITS

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

Kennedy Erin MacDonald, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires June 12, 2020.
Court No. 35-2395481

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
1787930 ONTARIO INC.
COB AS MESSENGER FREIGHT
OF THE CITY OF ST. THOMAS,
IN THE PROVINCE OF ONTARIO

-AND-

Court No.: 35- 2395487

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
1732427 ONTARIO INC.
OF THE CITY OF ST. THOMAS,
IN THE PROVINCE OF ONTARIO

FIRST REPORT TO THE COURT
SUBMITTED BY MNP LTD.

JULY 26, 2018

I. INTRODUCTION

1. On July 2, 2018, 1787930 Ontario Inc. cob as Messenger Freight ("Messenger") and 1732427 Ontario Inc. ("173 ONT", and collectively with Messenger, the "Companies")

each filed a Notice of Intention to Make a Proposal (“NOI”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “BIA”), wherein MNP Ltd. (“MNP”) was named as proposal trustee (the “Proposal Trustee”) of the Companies. Copies of the NOIs are attached hereto and marked as Exhibit “A”.

2. Notice of the NOIs as prescribed by the BIA was sent on July 9, 2018 to all of Messenger’s and 173 ONT’s known creditors with claims greater than \$250.
3. Information regarding the proceedings has been posted to the Proposal Trustee’s website at <https://mnpdebt.ca/en/corporate/engagements/1787930-ontario-inc>.
4. The primary purposes of these proceedings are to provide stability to the Companies while the Companies, with the assistance and under the supervision of the Proposal Trustee, engage in a process of soliciting refinancing of the Companies’ current debt facilities, with the view of formulating and presenting a viable proposal to its creditors.

II. RESTRICTIONS

5. In preparing this Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the Affidavit of Louise Vonk, dated July 12, 2018, the Companies’ books and records, discussions with employees and management of the Companies and information from other third-party sources (collectively, the “Information”). Except as described in this Report, the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.
6. The Proposal Trustee also bases its report on the Companies’ cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals’ Standards of professional Practice No. 99-5 (Trustee’s Report on Cash Flow Statement). Certain of the information referred to in this report consists of financial forecasts and/or projections. An examination or review of financial forecasts and

projections and procedures, in accordance with standards set by Chartered Professional Accountants Canada, has not been performed. Future oriented financial information referred to in this report was prepared based on estimates and assumptions provided by the Companies' management. Readers are cautioned that, since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material.

III. PURPOSE OF THIS REPORT

7. The purpose of this Report is to:
 - a. Provide information to the Court with respect to the administration of the Companies' proposal proceedings, including
 - i. background information regarding the Companies' operations, management structure, historical financial results and the circumstances leading to the filing of the NOIs;
 - ii. the Companies' efforts to financially restructure the business; and
 - iii. provide information in respect of the Companies' request for an extension of time to file a Proposal; and
 - b. Provide the Court with the Proposal Trustee's recommendation for an Order(s), *inter alia*:
 - i. approving a charge in favour of the legal advisors retained by the Companies, and MNP in its capacity as the Proposal Trustee and its legal counsel (collectively, the "Administrative Professionals") to secure payment of their respective reasonable fees and disbursements;
 - ii. approving the administrative consolidation of the Companies' NOI proceedings;
 - iii. extending the time for filing a proposal to September 14, 2018; and

- iv. approving the activities of the Proposal Trustee as set out in this Report.

IV. BACKGROUND INFORMATION

8. Messenger is an Ontario corporation carrying on business out of the Property (as defined below) located in St. Thomas, Ontario and from rented premises in Cambridge, Ontario. Messenger is a transportation and logistics company. Messenger provides warehousing and storage services to its customers, as well as providing repacking and sorting.
9. 173 ONT owns an approximately 130,000 square foot industrial property, situated on approximately 14 acres of land, located at 150 Dennis Road, St. Thomas, Ontario (the "Property") from which Messenger carries on its warehousing and logistics business.
10. Messenger advises that the causes of its financial difficulties are attributable to the following:
 - a. In the summer of 2017, Messenger was negatively impacted by a six-week strike by the unionized staff at General Motors' CAMI plant ("CAMI"). Messenger had several trucks that ran 24/6 dedicated to CAMI and had trucks dedicated to the feeder plant that supplied CAMI with seats via dedicated runs and shunter service around the plant;
 - b. One of Messenger's larger customers also experienced a slowdown in service, which resulted in them cancelling runs on a day's notice; an impact of approximately 20 runs a day, twice a week in the months of October and November. This reduced activity resulted in drivers leaving Messenger; and
 - c. Messenger's cost structure has increased and is too high given the size of Messenger's business. While it would have been beneficial for Messenger to pass recent cost increases onto its customers, sometimes it is has been locked into fixed pricing under contract and forced to absorb those costs.

11. A summary of the Companies' combined historical financial results is set out below¹:

Year Ended July 31 (CAD \$)	F2016	F2017
	Unaudited	
Revenue	\$20,440,844	\$20,665,200
<i>% Growth</i>	<i>N/A</i>	<i>1%</i>
Cost of Goods Sold	15,774,476	15,937,798
Gross Margin	4,666,368	4,727,402
<i>Gross Margin (%)</i>	<i>23%</i>	<i>23%</i>
Operating Expenses	3,592,438	3,674,208
Operating Expenses (%)	18%	18%
EBITDA	1,599,544	1,586,802

V. ASSETS

Messenger

12. Messenger's assets consist primarily of its fleet of trucks and trailers, most of which are subject to capital leases.
13. On January 26, 2018, Messenger entered into a Full Factoring Agreement ("Factoring Agreement") with Baron Finance Incorporated ("Baron"). Messenger also has limited accounts receivable consisting of invoices not subject to the Factoring Agreement.

173 ONT

14. 173 ONT owns the Property.

VI. CREDITORS

Messenger

15. Messenger's NOI lists creditors with claims of approximately \$4.59 million.

¹ The Companies' 2018 combined results for the 11 months ending June 30, 2018 are not available for inclusion in this report, but reflect significant decreases in revenues, at a reduced gross margin.

16. A search of the Ontario *Personal Property Security Act* registry (the “Registry”), as of July 2, 2018, and the Messenger’s records, includes the following parties² as secured creditors of the Messenger:

Creditor	Estimated Amount Owed at the Filing Date
Bank of Nova Scotia (“BNS”)	\$2,019,960.00
Baron Finance Incorporated	1.00
BNS (capital leases)	1,057,572.00
Altruck International Truck Centres	1.00

17. BNS’s claim of approximately \$2.02 million reflected above, represents the refinancing of the residual operating loan following the closing of the Factoring Arrangement in March 2018. This loan is further secured by a General Security Agreement granted by Messenger in favour of BNS. The BNS is also owed approximately \$1,057,572 pursuant to equipment financing loans, which amount is not included in the claims in paragraph 15.
18. On June 11, 2018, Canada Revenue Agency (“CRA”) issued Requirements to Pay to BNS in respect of Messenger’s indebtedness for unpaid source deductions and corporate taxes. Based on CRA’s proof of claim, dated July 9, 2018, Messenger’s indebtedness for source deductions, Harmonized Sales Tax and corporate taxes is approximately \$239,200, \$5,800 and \$54,400, respectively³.
19. The Proposal Trustee has not yet sought an independent legal opinion on the validity and enforceability BNS’s security or the validity and enforceability of the Factoring Agreement.

² Additionally, Messenger has entered into several equipment leases and the various lessors have registered a security interest on the Registry.

³ The Proposal Trustee has not reviewed whether CRA’s proof of claim accounts fully for the funds CRA received from the Requirements to Pay.

Lien Registrations

20. Prior to the NOI, Messenger had part of its fleet of trucks and trailers serviced by Viking Truck Sales Inc. ("Viking") and/or Altruck International Truck Centres ("Altruck"). On the date of filing the NOI, each of Viking and Altruck were reflected as being owed money by Messenger for repairs to Messenger's fleet.
21. On July 11, 2018, notwithstanding the filing of the NOI, Viking and Altruck each filed registrations with the Registry in respect of these unpaid repair services. Viking's five lien registrations are intended to secure payment of \$6,675 and Altruck's 10 registrations are intended to secure payment of \$11,679.
22. Messenger advised the Proposal Trustee of these registrations on July 24, 2018. The Proposal Trustee is carrying out further review and investigation into this matter.

173 ONT

23. 173 ONT's NOI lists creditors of approximately \$9.140 million, including a mortgage registered in favour of BNS of approximately \$6.07 million and arrears of property taxes owing to City of St. Thomas of approximately \$725,000. The other obligations are due to related parties. Messenger's indebtedness to BNS in the amount of \$1,945,000 (included in the total in paragraph 16 above), which currently bears interest of approximately 20.7%, (including a PIK rate of 15%) is also secured by a mortgage registered against the Property.
24. Prior to the filing of the NOIs, on June 22, 2018, BNS served the Companies' with demands and Notice of Intention to Enforce Security under section 244 of the BIA.
25. The Proposal Trustee has not yet sought an independent legal opinion on the validity and enforceability BNS' security.

VII. CASH FLOW PROJECTIONS

26. To date, the Companies have provided the Proposal Trustee with its full co-operation and unrestricted access to its premises, books and records.

27. In accordance with the provisions of the BIA, the Companies filed with the Official Receiver a projected cash flow statement dated July 12, 2018, which was reviewed by the Proposal Trustee for reasonableness and signed by the Proposal Trustee and the Companies (the “Cash Flow Projections”). A copy of the Cash Flow Projections and related reports, are attached hereto as Exhibit “B”.
28. The Proposal Trustee has implemented procedures for monitoring the Companies’ receipts and disbursements and monitoring the business in order to ensure that operations are continuing in the normal course of business and in accordance with the Cash Flow Projections.
29. The principal assumptions of the Cash Flow Projections are that:
- a. The projections are prepared on a consolidated basis as the operations of Messenger and 173 ONT are inter-dependent.
 - b. Revenues are based on historical results reflecting increases in transportation rates recently negotiated by the Companies with certain of its customers.
 - c. Messenger will continue to obtain financing from Baron pursuant to the Factoring Agreement.
 - d. The supply of goods and services are assumed to be on a cash on delivery basis.
 - e. Wages, salaries and benefits are based on current payroll and contract requirements.
30. The Cash Flow Projections reflect that the Companies are expected to require funding of approximately \$154,200 through to the period ending September 28, 2018. Since filing the projections, the Companies, with the assistance of the Proposal Trustee, have negotiated arrangements whereby BNS has agreed to receive payments on account of interest only during the proposal proceedings. This accommodation arrangement with BNS will eliminate approximately \$132,000 of this deficiency. 173 ONT advises the Proposal Trustee that it also sought and obtained an accommodation arrangement from the City of St. Thomas, whereby the payment of post-NOI property taxes, estimated at \$58,346 (i.e., during the 13-week projection), can be deferred.

31. Based on the Proposal Trustee's review of the Cash Flow Projections, there are no material assumptions which seem unreasonable in the Companies' circumstances. The Proposal Trustee's report on the Cash Flow Projections, as required by Section 50.4(2)(b) of the BIA is attached hereto and marked as Exhibit "C".
32. Based on the Cash Flow Projections and the accommodations provided by BNS and City of St. Thomas, the Companies appear to have sufficient funding through to the end of the requested extension of the NOI.

Fuel Suppliers

Transit Petroleum Inc.

33. Transit Petroleum Inc., a division of Hogg Petroleum ("Transit Petroleum"), previously supplied Messenger with a portion of the fuel it required to operate its fleet. Upon the filing of the NOI, Messenger met with representatives of Transit Petroleum to secure the supply of post-NOI fuel.
34. Soon after this preliminary meeting, on July 9, 2018, Transit Petroleum's legal counsel reached out to the Proposal Trustee to request a copy of Messenger's NOI and requested the Cash Flow Projections on behalf of its client. Transit Petroleum's legal counsel had raised with the Proposal Trustee the possibility of Messenger posting a security deposit to secure payment of post-NOI obligations.
35. On July 5, 2018, Transit Petroleum received payment via a pre-authorized payment in the amount of \$83,734.05 (the "Retained Funds"). On July 4, 2018 and July 5, 2018, Messenger attempted to stop this payment, which was in respect of the supply of pre-NOI fuel, first by approaching Transit Petroleum and then by contacting its credit union. Neither Transit Petroleum or the credit union were able to stop payment. Messenger had asked Transit Petroleum to apply the Retained Funds against the supply of post-NOI fuel, which request was refused. On July 19, 2018, Messenger's legal counsel directed an email message (the "July 19th Email") to Transit Petroleum's legal counsel demanding the return

of the Retained Funds to Messenger.⁴ Messenger's counsel sent a follow up email on July 25, 2018. On July 26, 2018, Transit Petroleum's counsel advised that she would need to discuss Messenger's demand with her client and obtain instructions. However, she noted that she will not be able to do so until the week of July 30th when Transit Petroleum's owner returns to the office.

Petro Canada/Suncor

36. Once it became apparent to Messenger that Transit Petroleum was not prepared to continue providing fuel to Messenger, Messenger approached Petro Canada. Petro Canada also sought protection for payment and sought a security payment be paid to secure post-NOI supplies.
37. On July 23, 2018, Messenger and Petro Canada discussed an arrangement whereby Petro Canada bills weekly for fuel used in the preceding week. Messenger proposed providing a \$70,000 security deposit to Petro Canada. Messenger also proposed making weekly payments to Petro Canada to pay for the fuel it purchases in the preceding week. At the time of writing this Report, the parties were still negotiating the terms of an arrangement.

VIII. ADMINISTRATIVE PROFESSIONALS CHARGE

38. In order to protect the fees and expenses of the Administrative Professionals, the Companies' are seeking a charge (the "Administrative Professionals Charge") on the property and assets of the Companies to secure payment of the reasonable fees and expenses of the Administrative Professionals in an amount of \$75,000.
39. The Companies' are requesting that the Administrative Professionals Charge rank in priority to the claims of all secured and unsecured creditors over the property and assets of the Companies', and the rights of parties with properly perfected purchase-money-security-interests.

⁴ The Proposal Trustee, copied on the July 19th Email, forwarded the July 19th Email to Transit Petroleum's legal counsel after being

40. The Proposal Trustee recommends the Administrative Professional Charge be approved for the following reasons:

- a. each of the professionals whose fees are to be secured by the Administrative Professionals Charge has played and will continue to play a critical role in the Companies' restructuring or refinancing;
- b. The Companies' intend to satisfy the fees and disbursements of the Administrative Professionals from cash flow during the NOI proceedings. The Administrative Professionals Charge is sought to protect the Administrative Professionals in the event that the restructuring is not successful; and
- c. BNS has been notified of the Companies' request for the Administrative Professionals Charge, and the Proposal Trustee is advised that BNS does not oppose the Administrative Professionals Charge.

IX. PROPOSED ADMINISTRATIVE CONSOLIDATION

41. The Companies' are seeking a Procedural Order administratively consolidating Messenger's and 173 ONT's NOI proceedings to avoid a multiplicity of proceedings. The Companies' operations are fully integrated with substantially all of the Companies' management, accounting, banking, and administrative functions performed at Messenger's head office in St. Thomas, Ontario. The Companies also have common officers, directors and management.

42. The Proposal Trustee recommends the administrative consolidation of the Companies' NOI proceedings.

X. EFFORTS TO RESTRUCTURE

43. Since filing the NOI, the Companies have requested the Proposal Trustee's assistance in sourcing and negotiating satisfactory refinancing of the Companies' current mortgage and/or loan financing. The Companies' are currently engaged in discussions with seven (7) potential lenders.

44. During the extension period, the Companies, with the assistance of the Proposal Trustee, will facilitate further due diligence requests and site visits.

45. The refinancing may also provide the Companies' the financial means of making a viable proposal to its creditors.

XI. REQUEST FOR AN EXTENSION OF TIME FOR FILING A PROPOSAL

46. In order to allow the Companies' sufficient time to carry out a financial restructuring or refinancing of its business, and work towards filing a proposal to its creditors, the Companies seeks an extension of the time for filing of a proposal to September 14, 2018.

47. In view of the foregoing, the Trustee supports the Companies' request for an extension and has also considered:

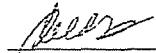
- a. that the Companies are acting in good faith and with due diligence;
- b. that the extension should not adversely affect or prejudice creditors as the Companies are projected to have sufficient funds to pay post-filing services and supplies in the amounts contemplated in the Cash Flow Forecast; and
- c. it is contemplated that the efforts to source refinancing will be fully negotiated or completed during the extension period.

XII. CONCLUSION AND RECOMMENDATION

48. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief detailed in paragraph 7.

All of which is respectfully submitted on this 26th day of July, 2018.

MNP Ltd.
In its capacity as Trustee under
The Notice of Intention to Make a Proposal of
1787930 Ontario Inc. and 1732427 Ontario Inc.
Per:



Sheldon Title

TAB

“H”



MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
ONE LONDON PLACE
255 QUEENS AVENUE, SUITE 2010
LONDON, ON N6A 5R2
CANADA

T 519.931.3500
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MILLERTHOMSON.COM

August 8, 2018

Delivered Via Fax (416.510.1945) and
Email (bruce@bruceasimpson.com)

Swanick and Associates
101-225 Duncan Mill Road
North York, ON M3B 3K9

Attention: Bruce A. Simpson

Dear Sir:

Re: In the matter of the Notice of Intention to Make a Proposal ("NOI") of 1787930
Ontario cob as Messenger Freight ("Messenger")
Court File No. 35-2395481

I acknowledge receipt of your e-mail dated August 3, 2018.

The First Report of the Proposal Trustee dated July 26, 2018 (the "First Report") provides the following statement:

33. Transit Petroleum Inc., a division of Hogg Petroleum ("Transit Petroleum"), previously supplied Messenger with a portion of the fuel it required to operate its fleet. Upon the filing of the NOI Messenger met with representatives of Transit Petroleum to secure the supply of post-NOI fuel.

I am advised that representatives of Transit Petroleum met with representatives of Messenger, Louise Vonk and Blaine Skirtschak, at the Transit Petroleum office on July 5, 2018. It was at this time that Transit Petroleum was first advised that Messenger had filed a NOI on July 2, 2018.

Further, the First Report states:

34. Soon after this preliminary meeting, on July 9, 2018, Transit Petroleum's legal counsel reached out to the Proposal Trustee to request a copy of Messenger's NOI and requested the Cash Flow Projections on behalf of its client. Transit Petroleum's legal counsel had raised with the Proposal Trustee the possibility of Messenger posting a security deposit to secure payment of post-NOI obligations.

Sherry A. Kettle
Direct Line: 519.931.3534
skettle@millerthomson.com

File: 0217040.0003

This is Exhibit ... H ... referred to in the
affidavit of ... Dan Poort
sworn before me, this 4
day of October 2018.

Kennedy Erin MacDonal
A COMMISSIONER FOR TAKING AFFIDAVITS

Kennedy Erin MacDonal, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires June 12, 2020.

During a telephone conversation with Messenger's Financial Controller, Nathan McDaniel, on July 9, 2018, it was representatives of Transit Petroleum, not Transit Petroleum's legal counsel, who raised the possibility of a security deposit. Mr. McDaniel advised Transit Petroleum that Messenger was not able to provide a security deposit under the NOI.

The First Report also states:

35. On July 5, 2018, Transit Petroleum received payment via a pre-authorized payment in the amount of \$83,734.05 (the "Retained Funds"). On July 4, 2018 and July 5, 2018, Messenger attempted to stop this payment, which was in respect of the supply of pre-NOI fuel, first by approaching Transit Petroleum and then by contacting its credit union. Neither Transit Petroleum or the credit union were able to stop payment. Messenger had asked Transit Petroleum to apply the Retained Funds against the supply of post-NOI fuel, which request was refused. On July 19, 2018, Messenger's legal counsel directed an email message (the "July 19th Email") to Transit Petroleum's legal counsel demanding the return of the Retained Funds to Messenger.⁴ Messenger's counsel sent a follow up email on July 25, 2018. On July 26, 2018, Transit Petroleum's counsel advised that she would need to discuss Messenger's demand with her client and obtain instructions. However, she noted that she will not be able to do so until the week of July 30th when Transit Petroleum's owner returns to the office.

I understand that Transit Petroleum submitted a pre-authorized debit to the Credit Union in respect to the Retained Funds on July 3, 2018. My client is unaware of any attempt by Messenger to stop the payment of the Retained Funds. To the contrary, I am advised that during the meeting on July 5, 2018 with Messenger when Transit Petroleum was first advised of the NOI, Louise Vonk and Blaine Skirtschak made it very clear that they had insisted that the Proposal Trustee allow the pre-authorized payment to Transit Petroleum to go through because Messenger needed Transit Petroleum as a supplier in order for Messenger to remain in business. During a call on Monday, July 9, Mr. McDaniel, Messenger's Financial Controller, advised Transit Petroleum that he had allowed the pre-authorized debit to be processed because (i) Messenger and Transit Petroleum had agreed to the payment on June 28, 2018, two business days prior to the NOI; (ii) the payment had been processed by the Credit Union and received by Transit Petroleum before Transit Petroleum knew about the NOI; and (iii) Messenger valued working with Transit Petroleum as Messenger tried to keep afloat. In other words, Messenger consented to the payment of the Retained Funds to Transit Petroleum.

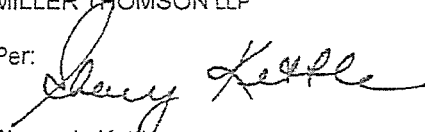
Kindly provide details of Messenger's attempt(s) to stop the payment "by approaching Transit Petroleum and then by contacting its credit union" on July 4 and July 5, 2018. In addition, kindly provide details of the attempts by Transit Petroleum to stop the payment as suggested by the statement that "[n]either Transit Petroleum or the credit union were able to stop the payment".



Yours truly,

MILLER THOMSON LLP

Per:



Sherry A. Kettle

SAK/sj

c: client

c: Sheldon Title (sheldon.title@mdp.ca)

33187360.1



TAB

“|”

This is Exhibit I referred to in the affidavit of Don Poort sworn before me, this 4 day of October 2018.

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

Kennedy Erin Macdonald
A COMMISSIONER FOR TAKING AFFIDAVITS
Kennedy Erin Macdonald, a Commissioner,
Province of Ontario, while a Student-at-Law.
Expires June 12, 2020.

Court No.: 35- 2395487 and 35-2395481

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
1732427 ONTARIO INC. AND 1787930 ONTARIO INC.
BOTH OF THE CITY OF ST. THOMAS,
IN THE PROVINCE OF ONTARIO

SECOND REPORT TO THE COURT
SUBMITTED BY MNP LTD.

SEPTEMBER 10, 2018

I. INTRODUCTION

1. On July 2, 2018, 1787930 Ontario Inc. cob as Messenger Freight ("Messenger") and 1732427 Ontario Inc. ("173 ONT", and collectively with Messenger, the "Companies") each filed a Notice of Intention to Make a Proposal ("NOI") pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA"), wherein MNP Ltd. ("MNP") was named as proposal trustee (the "Proposal Trustee") of the Companies. Copies of the NOIs are attached hereto and marked as Exhibit "A".
2. On July 23, 2018, the Companies' filed Notice of Motion and a Motion Record returnable July 31, 2018, seeking, among other things, a Court Order extending the time within which the Companies had to file a proposal. The Proposal Trustee served its first report, dated July 27, 2018 (the "First Report"). A copy of the First Report, without exhibits, is attached hereto and marked as Exhibit "B".

3. On July 31, 2018, the Court ordered the following:
 - a. The date for the filing of the Companies' proposal be extended to September 14, 2018 (the "First Extension Deadline");
 - b. That the proposal proceedings for Messenger and 178 ONT be administratively consolidated; and
 - c. The granting of Administration Charge of \$75,000 in favour of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Companies.
4. Information regarding the proceedings has been posted to the Proposal Trustee's website at <https://mnpdebt.ca/en/corporate/engagements/1787930-ontario-inc>.
5. The primary purposes of these proceedings are to provide stability to the Companies while the Companies, with the assistance and under the supervision of the Proposal Trustee, engage in a process of soliciting refinancing of the Companies' current debt facilities, with the view of formulating and presenting a viable proposal to its creditors.

II. RESTRICTIONS

6. In preparing this Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the Affidavits of Louise Vonk, dated July 12, 2018 and August 23, 2018, the Companies' books and records, discussions with employees and management of the Companies and information from other third-party sources (collectively, the "Information"). Except as described in this Report, the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.
7. The Proposal Trustee also bases its report on the Companies' cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals' Standards of professional Practice No. 99-5 (Trustee's Report

on Cash Flow Statement). Certain of the information referred to in this report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by Chartered Professional Accountants Canada, has not been performed. Future oriented financial information referred to in this Report was prepared based on estimates and assumptions provided by the Companies' management. Readers are cautioned that, since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material.

III. PURPOSE OF THIS REPORT

8. The purpose of this Report is to:
 - a. Provide information to the Court with respect to the administration of the Companies' proposal proceedings, including:
 - i. report on the Companies' cash flows for the period July 2, 2018 to August 31, 2018 and to compare such actual results to the Companies' forecast for the same time frame;
 - ii. the Proposal Trustee's observations in respect of the Companies' Updated Cash Flow Projections (as such term is later defined below);
 - iii. provide an update on the status of the Companies' restructuring and refinancing efforts; and
 - iv. provide information in respect of the Companies' request for an extension of time to file a Proposal.
 - b) Provide the Court with the Proposal Trustee's recommendation for an Order, *inter alia*:
 - i. extending the time for filing a proposal to October 12, 2018 (the "Second Extension Deadline"); and
 - ii. approving the activities of the Proposal Trustee as set out in this Report.

IV. BACKGROUND INFORMATION¹

9. Messenger is an Ontario corporation carrying on business out of the Property (as defined below) located in St. Thomas, Ontario and from rented premises in Cambridge, Ontario. Messenger is a transportation and logistics company. Messenger provides warehousing and storage services to its customers, as well as providing repacking and sorting.
10. 173 ONT owns an approximately 130,000 square foot industrial property, situated on approximately 14 acres of land, located at 150 Dennis Road, St. Thomas, Ontario (the "Property") from which Messenger carries on its warehousing and logistics business.

V. CASH FLOW PROJECTIONS

11. To date, the Companies have provided the Proposal Trustee with its full co-operation and unrestricted access to its premises, books and records.
12. In accordance with the provisions of the BIA, the Companies filed with the Official Receiver a projected cash flow statement dated July 12, 2018, covering the 13-week period up to September 28, 2018 (the "Cash Flow Projections"). As commented upon in the prescribed BIA reports, the Cash Flow Projections has been reviewed by the Proposal Trustee for reasonableness and signed by the Proposal Trustee and the Companies. A copy of the Cash Flow Projections and related reports are attached hereto as **Exhibit "C"**.
13. The Proposal Trustee has implemented procedures for monitoring the Companies' receipts and disbursements and monitoring the business in order to ensure that operations are continuing in the normal course of business and in accordance with the Cash Flow Projections.
14. The principal assumptions of the Cash Flow Projections are that:

¹ Information relating to the Companies' assets and liabilities was included as part of the First Report and not duplicated herein. On July 6, 2018, Canada Revenue Agency issued a letter to Bank of Nova Scotia wherein it cancelled the Requirement to Pay issued on June 11, 2018 in respect of Messenger's corporate tax and source deduction accounts.

- a. The projections are prepared on a consolidated basis as the operations of Messenger and 173 ONT are inter-dependent.
 - b. Revenues are based on historical results reflecting increases in transportation rates recently negotiated by the Companies with certain of its customers.
 - c. Messenger will continue to obtain financing from Baron Finance Incorporated ("Baron") pursuant to the Full Factoring Agreement, dated January 26, 2018.
 - d. The payment of goods and services supplied to the Companies are assumed to be on a cash on delivery basis.
 - e. Wages, salaries and benefits are based on current payroll and contract requirements.
15. The Companies provided the Proposal Trustee with information related to its actual cash flows up to the week ending August 31, 2018. Based on this information, the Companies have had a favourable variance of \$89,545, summarized as follows:

1787930 Ontario Inc. and 1732427 Ontario Inc.
Statement of Cash Flow - Comparison of Actual to Forecast
For the period from July 2, 2018 to August 31, 2018

	Forecast \$	Actual \$	Variance \$
<i>Revenues</i>	\$3,669,231	\$3,370,176	(\$299,055)
<i>Cost of Trucking/Warehousing</i>	\$3,191,602	\$3,100,936	(\$90,666)
<i>Gross Profit</i>	\$477,629	\$269,240	(\$208,389)
%	13%	8%	
<i>Operating Expenses</i>	\$518,423	\$251,228	(\$267,194)
<i>Earnings from Operations</i>	(\$40,794)	\$18,012	\$58,806
<i>Provision for Taxes</i>	(\$6,119)	\$0	\$6,119
<i>Net Earnings for the Period</i>	(\$34,675)	\$18,012	\$52,687
Total Other Cash Outflows	\$110,413	\$216,605	\$106,191
NET CASH FLOW	(\$145,088)	(\$198,593)	(\$53,505)
OPENING CASH BALANCE	\$89,816	\$232,866	\$143,050
CLOSING CASH BALANCE	(\$55,271)	\$34,273	\$89,545

- a. Messenger's gross profit was significantly lower than projected, which is attributable to the following:
- i. Significantly lower than anticipated receipts. Messenger advises that it has not lost any customers. Part of the negative variance relates to the way Messenger has reported its factoring costs and interest. The actual receipts reported are net of factoring costs and interest. The factoring costs and interest were originally projected as operating expenses and not applied against revenues. Moreover, Messenger advises the Proposal Trustee that Baron has charged back from its post-NOI funding to Messenger an amount of approximately \$131,000 to repay Baron for amounts that it over remitted to Messenger in March, 2018. These chargebacks were not reflected in the Cash Flow Projections.
 - ii. The impact of the negative variance in receipts was offset, in part, by lower than anticipated wages, fuel charges and subcontracting expenses.
 - iii. **Fuel Expenses-** Messenger had a \$78,225 positive variance in fuel expenses, which may be partially attributable to the lower than anticipated receipts. The fuel expense was lower than expected even though during the period of the Cash Flow Projections, Messenger advanced \$80,000 to Petro Canada as a security deposit to secure the supply of fuel. This positive variance is also related to a \$25,000 timing difference, as Messenger was recently delayed in making this payment to one of its fuel suppliers.
 - iv. **Wages and Subcontracting expenses** – Messenger advises that the projected wages and subcontracting expenses per the Cash Flow Projections are too high resulting in a \$111,176 positive variance. The Cash Flow Projections were built on the assumption that Messenger would be remitting the employee source deductions to Canada Revenue Agency (“CRA”) in the same week as the payroll. Messenger is currently two weeks in arrears on its remittances of source deductions.

- v. **Vehicle Insurance** – Messenger’s vehicle insurance came up for renewal on August 31, 2018. The Cash Flow Projections contemplated the disbursement for the renewal would commence in September 2018. Messenger paid \$44,132 towards the renewal during the week ending August 31, 2018. Messenger also made a post-NOI payment to its insurer of \$55,486, which may have constituted a pre-NOI obligation. This payment was not originally included in the Cash Flow Projections.
- b. **Operating Expenses** – The Companies’ favourable variance in operating expenses is attributable to:
- i. the Companies, with the assistance of the Proposal Trustee, negotiated arrangements with Bank of Nova Scotia (“BNS”) whereby BNS agreed to receive payments on account of interest only during the proposal proceedings;
 - ii. 173 ONT advises the Proposal Trustee that it obtained an accommodation arrangement from the City of St. Thomas, whereby the payment of post-NOI property taxes, estimated at \$58,346 (i.e., during the period of the Cash Flow Projections), can be deferred;
 - iii. The administrative and indirect labour expenses were lower than projected.
16. The Companies have an amended cash flow statement dated September 9, 2018 to extend the Cash Flow Projections through November 23, 2018 (the “**Updated Cash Flow Projections**”), a copy of which is attached as **Exhibit “D”** to this Report. The purpose of this amendment is to extend the projections beyond the Second Extension Deadline. Based on the Updated Cash Flow Projections, the Companies appear to have sufficient resources to continue operations through the Second Extension Deadline.
17. Effective July 2, 2018, CRA cancelled its Requirement to Pay. The Cash Flow Projections and Updated Cash Flow Projections do not account for the activity flowing through Messenger’s BNS account, which as at August 30, 2018, had a balance of \$13,413.

18. Based on the Proposal Trustee's review of the Updated Cash Flow Projections, there are no material assumptions which seem unreasonable in the Companies' circumstances. The Updated Cash Flow Projections are based on assumptions that are consistent with the assumptions used in the Cash Flow Projections. The Proposal Trustee's report on the Updated Cash Flow Projections, as required by Section 50.4(2)(b) of the BIA is attached hereto and marked as Exhibit "E".

VI. EFFORTS TO RESTRUCTURE/REFINANCE

19. Since filing the NOI, the Companies have requested the Proposal Trustee's assistance in sourcing and negotiating satisfactory refinancing of the Companies' current mortgage and/or loan financing. At the date of the First Report, the Companies' were engaged in discussions with seven (7) potential lenders. The Companies, with the assistance of the Proposal Trustee, have been engaged in continued dialogue with, and satisfied due diligence requests made by these prospective lenders, several whom have indicated that they are not interested in pursuing the opportunity. The Companies have chosen a lender to refinance its business.

20. The Companies entered into an NDA and confidentiality agreement with a private lender with whom it has held several meetings. The private lender is a subsidiary of a leading Canadian asset management firm. The lender's platform offers short-term financing solutions to businesses.

21. Messenger has provided financial information to this private lender, which allowed the lender to carry out a preliminary internal review of the financing opportunity with favourable results. At this time the lender has not formally approved the refinancing but has committed to the Companies that it will be in a position to present a letter of intention by September 21, 2018 should the financing be approved. If approved, part of this refinancing will be used by Messenger to fund a proposal to its creditors and to satisfy payment of 178 ONT's arrears of municipal property taxes.

VII. REQUEST FOR AN EXTENSION OF TIME FOR FILING A PROPOSAL

22. In order to allow the Companies' sufficient time to carry out its refinancing of its business, and work towards filing a proposal to its creditors, the Companies seek an extension of the time for filing of a proposal to October 12, 2018.
23. In view of the foregoing, the Proposal Trustee supports the Companies' request for an extension to provide it with additional time to secure a satisfactory refinancing commitment and to file a proposal. The Proposal Trustee has also considered that:
- a. the Companies are acting in good faith and with due diligence;
 - b. the extension should not adversely affect or prejudice creditors as the Companies appear to have sufficient funds to pay post-filing services and supplies in the amounts contemplated in the Updated Cash Flow Projections;
 - c. it is contemplated that the efforts to source refinancing will be determined, and if approved, completed by the Second Extension Deadline; and
 - d. as noted above, if the refinancing is approved, Messenger intends on using part of this refinancing to fund a proposal to its creditors and to satisfy payment of 178 ONT's arrears of municipal property taxes.

VIII. CONCLUSION AND RECOMMENDATION

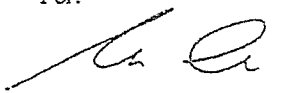
24. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief detailed in paragraph 8.

All of which is respectfully submitted on this 10th day of September 2018.

MNP Ltd.

In its capacity as Trustee in re
the Notice of Intention to Make a Proposal of
1787930 Ontario Inc. and 1732427 Ontario Inc.

Per:

A handwritten signature in black ink, appearing to read 'M. Lem', is written over a horizontal line.

Matthew Lem

Licensed Insolvency Trustee

IN THE MATTER OF NOTICES OF INTENTION TO MAKE A PROPOSAL OF 1732427
ONTARIO INC. AND 1787930 ONTARIO INC. BOTH OF THE CITY OF ST. THOMAS, IN THE
PROVINCE OF ONTARIO

Court File Nos. 35-2395487 and 35-2395481
Estates File Nos. 35-2395487 and 35-2395481

ONTARIO

SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
Proceeding commenced at London

AFFIDAVIT OF DON POORT
(SWORN OCTOBER 4, 2018)

MILLER THOMSON LLP
One London Place
255 Queens Avenue, Suite 2010
London, ON Canada N6A 5R8

Sherry A. Kettle, LSO #53561B
Tel: 519.931.3534
Fax: 519.858.8511
Email: skettle@millerthomson.com

Lawyers for Transit Petroleum Inc.

-
TAB

“5”

Court File Nos. 35-2395487 and 35-2395481
Estates File Nos. 35-2395487 and 35-2395481

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF NOTICES OF INTENTION TO MAKE A PROPOSAL
OF 1732427 ONTARIO INC. AND 1787930 ONTARIO INC.
BOTH OF THE CITY OF ST. THOMAS, IN THE PROVINCE OF ONTARIO

**AFFIDAVIT OF MONIQUE PAUL
(Sworn October 4, 2018)**

I, Monique Paul of the City of Kitchener, in the Regional Municipality of Waterloo,
MAKE OATH AND SAY:

1. I am a Credit Analyst at Transit Petroleum Inc. ("**Transit**") and, as such, have knowledge of the matters to which I depose. Where I do not possess personal knowledge, I have stated the source of my information in all such cases and do verily believe same to be true.
2. As a credit analyst at Transit, my job responsibilities include reviewing credit applications, performing credit checks, determining credit limits and terms, opening new accounts, verifying weekly preauthorized debit reports, emailing invoices, making collection calls, and handling credit and collections issues.
3. Transit supplied petroleum products to 1787930 Ontario Inc., carrying on business as Messenger Freight Systems ("**178**"). 178 set-up a pre-authorized payment system to pay Transit's invoices.
4. I have reviewed the affidavit of Nathan McDaniel ("**Nathan**"), Financial Controller of 178, sworn September 18, 2018 ("**Nathan's Affidavit**") in connection with 178's motion for the return of the Agreed Payment, as defined and described below.

Communications prior to the July 5 Meeting

5. I spoke with Nathan on or about June 22, 2018. During that conversation, we spoke about how to move forward with 178's account with regards to the pre-authorized payment/debit ("**PAD**") amounts and dates of withdrawals, as well as 178's frozen bank

account. I told Nathan I would follow up with an email outlining the details of our conversation and Nathan told me he would go over the email and confirm the payment plan and provide me with new banking information.

6. By e-mail dated June 22, 2018, I noted that the balance that would be owing to Transit as of July 2, 2018 was \$167,468.09. I also summarized how Nathan had proposed that the balance would be paid by four (4) PADs beginning on Monday, July 2 and ending on Monday, July 23, 2018.

7. By responding e-mail dated June 25, 2018, Nathan asked if the PAD dates could be moved to Fridays instead of Mondays.

8. By e-mails dated June 26 to 28, 2018, it was agreed that the four (4) PAD payments would begin on Thursday, July 5, 2018 instead of July 2, 2018 with the first PAD being in the amount of \$83,734.05. The e-mail string between myself and Nathan from June 22 to 28, 2018 is attached hereto as **Exhibit "A"**.

9. As set out in Nathan's June 27, 2018 e-mail and agreed by Transit in its June 28, 2018 e-mail, the four (4) PADs would be as follows:

July 5	\$83,734.05	(50% of the arrears amount)
July 12	regular amount plus \$27,911.35	(16.67% of the arrears amount)
July 19	regular amount plus \$27,911.35	(16.67% of the arrears amount)
July 26	regular amount plus \$27,911.35	(16.67% of the arrears amount)

July 3, 2018 PAD Submission to the Credit Union

10. I called Nathan on July 3, 2018 at 9:15 a.m. to confirm the PAD for the amount of \$83,734.05 (the "**Agreed Payment**") and left a voice message stating that I needed to hear back from him by 10 a.m. to confirm that he would have no issues with the PAD for the Agreed Payment. I did not hear back from Nathan.

11. I sent an email to Nathan at 9:17 a.m. and then again at 11:17 a.m. on July 3, 2018 when I informed Nathan that I had put the PAD through for the Agreed Payment on July 5, 2018. Attached hereto and marked has **Exhibit "B"** is a copy of e-mail correspondence to Nathan dated July 3, 2018 at 9:17 a.m. Attached hereto and marked as **Exhibit "C"** is a copy of e-mail correspondence to Nathan dated July 3, 2018 at 11:17 a.m.

12. Nathan did not contact me to ask me to not put the PAD through for the Agreed Payment or to put a stop payment on the PAD for the Agreed Payment. The next time I spoke to Nathan was on Monday July 9, 2012 as set out below.

13. I am advised by Cindy Burchett, Accounting Manager at Transit, that on July 3, 2018 Transit submitted a PAD which included a line item (among others to other customers) to the Libro Credit Union (the "**Credit Union**") for the Agreed Payment to be debited from 178's account on July 5, 2018 pursuant to the agreement with 178.

14. I was not contacted by anyone at 178 to stop the PAD for the Agreed Payment that was submitted on July 3, 2018.

15. I was not contacted by the Credit Union regarding any request made to it to stop the PAD for the Agreed Payment that was submitted on July 3, 2018.

The July 5 Meeting

16. I attended a meeting on Thursday, July 5, 2018 at around 1 p.m. at the Transit office (the "**July 5 Meeting**"). In attendance at that meeting on behalf of 178 was Louise Vonk ("**Louise**"), who I understand is the owner of 178, and Blaine Skirtschak ("**Blaine**"), the General Manager of 178. In addition to myself, Trevor Chambers ("**Trevor**"), Division Manager at Transit, attended the meeting on behalf of Transit.

17. At the July 5 Meeting, Louise told us that CRA froze 178's bank account around mid-June. She told us that 178 then contacted MNP Ltd. ("**MNP**") who suggested that 178 should file a Notice of Intention to Make a Proposal ("**NOI**") to restrict further action by CRA and to give 178 some breathing room to re-organize financially in order to carry on with business.

18. During the July 5 Meeting, Louise also told us that MNP filed the NOI on Monday, July 2, 2018 and that the NOI papers would be sent out to creditors in the following days. Louise told us that she wanted to meet with us before we received the NOI papers to provide advance notice and to explain the process. Louise said that she understood that 178 required the support of its three or four key vendors for fuel, trucks and contract drivers in order to continue to operate.

19. During the July 5 Meeting, Louise indicated that she was aware that the terms of payment between Transit and 178 for post-NOI purchases would change and that she was

willing to do whatever was necessary to keep Transit as their supplier of fuel. During that meeting Louise made it clear that the outstanding balance for both pre-NOI and post-NOI purchases owing to Transit would be paid in full. Louise suggested we could add an "admin fee" of \$5,000 to \$10,000 to every post-NOI invoice and apply against pre-NOI invoices, if we wanted to.

20. During the July 5 Meeting, Louise made it very clear that 178 had told MNP to allow the PAD for the Agreed Payment to Transit to go through because 178 needed Transit as a supplier and because Transit was, in her words, a "vital vendor" in order for 178 to remain in business.

21. Prior to the July 5 Meeting, I did not know that 178 had filed an NOI on July 2, 2018.

22. During the July 5 Meeting, there was no request by Louise or Blaine for a return of the Agreed Payment.

Communications After the July 5 Meeting

23. I called Nathan twice and left voice messages for Nathan on Friday, July 6, 2018 to discuss the following weeks PAD for post-NOI purchases. Nathan emailed me back at 5:50 p.m. on Friday, July 6, 2018 to apologize for not reaching out to me but he would contact me on Monday, July 9, 2018.

24. I participated in a telephone conference with Nathan, Don Poort ("Don"), the Chief Financial Officer of Transit, and Trevor on Monday, July 9, 2018. During that call, Nathan advised the Transit representatives that he had allowed the PAD for the Agreed Payment to be processed because (i) 178 and Transit had agreed to the payment on June 28, 2018, two business days prior to the NOI being filed on Monday, July 2, 2018; (ii) the payment had been processed by the Credit Union and received by Transit before Transit knew about the NOI; and (iii) 178 valued working with Transit as 178 tried to keep afloat and 178 needed Transit to continue as a supplier to remain in business.

25. During the July 9, 2018 call, Don told Nathan that we could continue to work with 178 if Transit received a \$50,000 deposit and then did PAD pulls daily of \$15,000 as a short-term solution until Transit actually saw the proposal. Nathan informed us that he would not be able to provide a deposit as it would be considered preferential treatment according to MNP.

26. I refer to paragraph 5 of Nathan's Affidavit wherein he states that he personally advised me that 178 was not permitted by law to pay accounts which are owed for fuel supplied prior to July 2, 2018, and that 178 was prepared to pay for fuel supplied following the NOI. The first time that I became aware of the NOI was with Louise and Blaine in the July 5 Meeting. I did not speak to Nathan regarding the NOI until Monday, July 9, 2018.

27. Nathan did not request a return of the Agreed Payment during the July 9, 2018 call.

28. Nathan called me on Wednesday, July 11, 2018 at 3:37 p.m. He told me that he needed to stop payment on the \$62,693.03 PAD for post-NOI purchases. I told Nathan that the PAD had already been submitted to the Credit Union. Nathan said that he would call the Credit Union to put a stop payment on the \$62,693.03 PAD. The stop payment was placed on the \$62,693.03 PAD on July 11, 2018 because the funds were not deposited into the Transit account on July 12, 2018. The Attached as **Exhibit "D"** is a copy of my e-mail to Don regarding this telephone conversation with Nathan.

29. Nathan did not request the return of the Agreed Payment during our July 11, 2018 telephone conversation.

30. No one at 178 or MNP has asked me to direct Transit to return the Agreed Payment to 178.

SWORN BEFORE ME at the City of Kitchener,
in the Regional Municipality of Waterloo, this
4th day of October, 2018.


A Commissioner for taking Affidavits (or as may be)


Monique Paul

Kennedy Erin MacDonald, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires June 12, 2020.

TAB

“A”

Jarrell, Susan

From: Monique Paul <mpaul@hoggfuel.com>
 Sent: Thursday, June 28, 2018 8:55 AM
 To: Nathan McDaniel
 Subject: RE: MESSENGER FREIGHT SYSTEMS

Importance: High

Good Morning Nathan,

I have discussed at length your proposal with Tina Thorne the Credit manager and Trevor Chambers the Fuel Manager and we have all agreed we will accept this proposal, with below stipulations.

July 5	\$83,734.05	(50% of the arrears amount)
July 12	regular amount plus \$27,911.35	(16.67% of the arrears amount)
July 19	regular amount plus \$27,911.35	(16.67% of the arrears amount)
July 26	regular amount plus \$27,911.35	(16.67% of the arrears amount)

Currently terms are Net 14 with Monday PAD making your invoices 15 days old, if we agree to move your PAD to Thursday we will need to change your terms to Net 7 making your invoices 11 days old, we cannot keep your terms at Net 14 and pull on Thursday as that makes the invoices 19 days old.

We have continuously gone above and beyond to work with Messenger on their financial issues, but going forward we need to be reassured that we will no longer have any problems going forward which is why we are agreeing to the Thursday PAD.

We have already had to pay the fuel purchased and used by Messenger, as our terms are Net 7 with our supplier.


We need to be clear that this will be the last time we can split payments due to the inability to pay your fuel purchases on the agreed upon pull date.

We need the above approved no later than 3pm on Friday June 29, 2018, in order to pull the first payment on Thursday July 5th, 2018.

Thanks,

Monique Paul
 Credit Analyst
 Hogg Fuel and Supply Ltd.
 Transit Petroleum Inc.
 519-579-5330 Ext 1161
 mpaul@hoggfuel.com



This is Exhibit A referred to in the
 affidavit of Monique Paul
 sworn before me, this 4
 day of October 2018

 A COMMISSIONER FOR TAKING AFFIDAVITS

Kennedy Erin MacDonald, a Commissioner, etc.,
 Province of Ontario, while a Student-at-Law.
 Expires June 12, 2020.

From: Nathan McDaniel [mailto:nathan@messengerfreight.ca]
Sent: Wednesday, June 27, 2018 5:40 PM
To: Monique Paul
Subject: RE: MESSENGER FREIGHT SYSTEMS

Good afternoon Monique,

Much thanks for the patience and support that both you and Tina have demonstrated; it means a lot to me. Attached is a scan of a voided cheque from our new checking account; please use this banking information for future billings. With regards to the below-mentioned proposal, I would ask that we adjust is slightly to be more in line with our original conversation. Would you please let me know if my proposal is acceptable?

July 5	\$83,734.05	(50% of the arrears amount)
July 12	regular amount plus \$27,911.35	(16.67% of the arrears amount)
July 19	regular amount plus \$27,911.35	(16.67% of the arrears amount)
July 26	regular amount plus \$27,911.35	(16.67% of the arrears amount)

With this payment plan, we would effectively have the arrears amount paid up by EOM July.

Cheers,

Nathan

Nathan McDaniel
 Financial Controller
 Messenger Freight System
 150 Dennis Road
 P.O. Box 100
 St. Thomas, ON N5P 0B6
 Bus: 519-631-9604 x107
 Fax: 519-631-1135
<http://www.messengerfreight.ca>



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From: Monique Paul [mailto:mpaul@hoggfuel.com]
Sent: June 26, 2018 11:55 AM

To: Nathan McDaniel <nathan@messengerfreight.ca>
 Subject: RE: MESSENGER FREIGHT SYSTEMS

Good Afternoon Nathan,

Thank you for speaking with Tina and myself!

We are willing to change the PAD to Thursdays from Mondays with the below proposal on getting the account current.

Thursday July 5, 2018 \$111,645.40
 Thursday July 12, 2018 \$55,093.51 + \$27,911.35= \$83,004.86
 Thursday July 19, 2018 regular amount owing + \$27,911.35 (total unknown at this time)
 This will then bring your account current.

Thanks,

Monique Paul
 Credit Analyst
 Hogg Fuel and Supply Ltd.
 Transit Petroleum Inc.
 519-579-5330 Ext 1161
 mpaul@hoggfuel.com



From: Nathan McDaniel [<mailto:nathan@messengerfreight.ca>]
Sent: Monday, June 25, 2018 3:07 PM
To: Monique Paul
Subject: RE: MESSENGER FREIGHT SYSTEMS

Good afternoon Monique,

Thank you for making the time to talk last week. As discussed it was a very challenging week with the compromised account and frozen status. We thoroughly appreciate your patience and understanding. I should have the new banking details ready to relay by middle of this week. Regarding payments, would it be possible to move our PAD date to Friday in lieu of Monday? I am seeing through analysis of Max's cash flow projections that it is a challenge allocating amounts as such on Monday.

Cheers,

Nathan

Nathan McDaniel
 Financial Controller
 Messenger Freight System
 150 Dennis Road

P.O. Box 100
 St. Thomas, ON N5P 0B6
 Bus: 519-631-9604 x107
 Fax: 519-631-1135
<http://www.messengerfreight.ca>



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From: Monique Paul [<mailto:mpaul@hoggfuel.com>]
 Sent: June 22, 2018 10:36 AM
 To: nathan@messengerfreight.ca
 Subject: MESSENGER FREIGHT SYSTEMS
 Importance: High

Nathan,

As per our conversation we have received Monday June 18th, 2018 PAD back as Account Frozen
 Account # 96246010 \$9,542.21
 Account # 96242510 \$49,590.24
 Total \$59,132.45

We are also holding this week's PAD Monday June 25th, 2018
 Account # 96246010 \$8,976.19
 Account # 96242510 \$47,579.43
 Total \$56,555.62
 Leaving us in arrears of two weeks for \$115,688.07

Monday July 2, 2018
 Account # 96246010 \$10,707.65
 Account # 96242510 \$41,072.37
 Total \$51,780.02

Total owing as of Monday July 2, 2018 \$51,780.02 + \$115,688.07= \$167,468.09

Below is how you are proposing to pay this
 Monday July 2, 2018 \$83,734.05
 Monday July 9, 2018 regular amount owing + \$27,911.35
 Monday July 16, 2018 regular amount owing + \$27,911.35

Monday July 23, 2018 regular amount owing + \$27,911.35

Please confirm this is what you would like us to do and I will go and talk to the fuel manager and see if he will approve this option or not.

I have also attached a new PAD form for you to fill out with the new banking information

Thanks,

Monique Paul
Credit Analyst
Hogg Fuel and Supply Ltd.
Transit Petroleum Inc.
519-579-5330 Ext 1161
mpaul@hoggfuel.com




TAB

“B”

Kettle, Sherry

From: Monique Paul <mpaul@hoggfuel.com>
Sent: Tuesday, July 3, 2018 9:17 AM
To: Nathan McDaniel
Subject: RE: MESSENGER FREIGHT SYSTEMS

This is Exhibit B..... referred to in the affidavit of Monique Paul..... sworn before me, this 4 day of October 2018.....

 A COMMISSIONER FOR TAKING AFFIDAVITS

Nathan,

I have called and left a message if you could please call me as soon as possible. I need to submit Thursday pull by 10am this morning!

Thanks,

Kennedy Erin MacDonald, a Commissioner, etc.,
 Province of Ontario, while a Student-at-Law.
 Expires June 12, 2020.

Monique Paul
Credit Analyst
Hogg Fuel and Supply Ltd.
Transit Petroleum Inc.
519-579-5330 Ext 1161
mpaul@hoggfuel.com



From: Nathan McDaniel [mailto:nathan@messengerfreight.ca]
Sent: Friday, June 29, 2018 4:05 PM
To: Monique Paul
Subject: RE: MESSENGER FREIGHT SYSTEMS
Importance: High

Hi Monique,

My apologies for the delay; I was pulled a several directions today as well as yesterday. Would you please call me on Tuesday when you are back in the office? I just have a few questions regarding the terms...I want to make sure I am on the same page with you.

Cheers,

Nathan

From: Monique Paul [mailto:mpaul@hoggfuel.com]
Sent: June 29, 2018 3:39 PM
To: Nathan McDaniel <nathan@messengerfreight.ca>
Subject: RE: MESSENGER FREIGHT SYSTEMS
Importance: High

Nathan,

It is almost 4pm and we have not heard back from you regarding the information below. Can you please advise?

Thanks,

Monique Paul
Credit Analyst
Hogg Fuel and Supply Ltd.
Transit Petroleum Inc.
 519-579-5330 Ext 1161
mpaul@hoggfuel.com



From: Monique Paul
Sent: Thursday, June 28, 2018 8:55 AM
To: 'Nathan McDaniel'
Subject: RE: MESSENGER FREIGHT SYSTEMS
Importance: High

Good Morning Nathan,

I have discussed at length your proposal with Tina Thorne the Credit manager and Trevor Chambers the Fuel Manager and we have all agreed we will accept this proposal, with below stipulations.

July 5	\$83,734.05	(50% of the arrears amount)
July 12	regular amount plus \$27,911.35	(16.67% of the arrears amount)
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July 26	regular amount plus \$27,911.35	(16.67% of the arrears amount)

Currently terms are Net 14 with Monday PAD making your invoices 15 days old, if we agree to move your PAD to Thursday we will need to change your terms to Net 7 making your invoices 11 days old, we cannot keep your terms at Net 14 and pull on Thursday as that makes the invoices 19 days old.

We have continuously gone above and beyond to work with Messenger on their financial issues, but going forward we need to be reassured that we will no longer have any problems going forward which is why we are agreeing to the Thursday PAD.

We have already had to pay the fuel purchased and used by Messenger, as our terms are Net 7 with our supplier.

We need to be clear that this will be the last time we can split payments due to the inability to pay your fuel purchases on the agreed upon pull date.

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Thanks,

Monique Paul
 Credit Analyst
 Hogg Fuel and Supply Ltd.
 Transit Petroleum Inc.
 519-579-5330 Ext 1161
mpaul@hoggfuel.com



From: Nathan McDaniel [<mailto:nathan@messengerfreight.ca>]
Sent: Wednesday, June 27, 2018 5:40 PM
To: Monique Paul
Subject: RE: MESSENGER FREIGHT SYSTEMS

Good afternoon Monique,

Much thanks for the patience and support that both you and Tina have demonstrated; it means a lot to me. Attached is a scan of a voided cheque from our new checking account; please use this banking information for future billings. With regards to the below-mentioned proposal, I would ask that we adjust is slightly to be more in line with our original conversation. Would you please let me know if my proposal is acceptable?

July 5	\$83,734.05	(50% of the arrears amount)
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July 26	regular amount plus \$27,911.35	(16.67% of the arrears amount)

With this payment plan, we would effectively have the arrears amount paid up by EOM July.

Cheers,

Nathan

Nathan McDaniel
 Financial Controller
 Messenger Freight System
 150 Dennis Road
 P.O. Box 100
 St. Thomas, ON N5P 0B6
 Bus: 519-631-9604 x107
 Fax: 519-631-1135
<http://www.messengerfreight.ca>



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From: Monique Paul [<mailto:mpaul@hoggfuel.com>]
Sent: June 26, 2018 11:55 AM
To: Nathan McDaniel <nathan@messengerfreight.ca>
Subject: RE: MESSENGER FREIGHT SYSTEMS

Good Afternoon Nathan,

Thank you for speaking with Tina and myself!

We are willing to change the PAD to Thursdays from Mondays with the below proposal on getting the account current.

Thursday July 5, 2018 \$111,645.40

Thursday July 12, 2018 \$55,093.51 + \$27,911.35= \$83,004.86

Thursday July 19, 2018 regular amount owing + \$27,911.35 (total unknown at this time)

This will then bring your account current.

Thanks,

Monique Paul
Credit Analyst
Hogg Fuel and Supply Ltd.
Transit Petroleum Inc.
519-579-5330 Ext 1161
mpaul@hoggfuel.com



From: Nathan McDaniel [<mailto:nathan@messengerfreight.ca>]
Sent: Monday, June 25, 2018 3:07 PM
To: Monique Paul
Subject: RE: MESSENGER FREIGHT SYSTEMS

Good afternoon Monique,

Thank you for making the time to talk last week. As discussed it was a very challenging week with the compromised account and frozen status. We thoroughly appreciate your patience and understanding. I should have the new banking details ready to relay by middle of this week. Regarding payments, would it be possible to move our PAD date to Friday in lieu of Monday? I am seeing through analysis of Max's cash flow projections that it is a challenge allocating amounts as such on Monday.

Cheers,

Nathan

Nathan McDaniel
 Financial Controller
 Messenger Freight System
 150 Dennis Road
 P.O. Box 100
 St. Thomas, ON N5P 0B6
 Bus: 519-631-9604 x107
 Fax: 519-631-1135
<http://www.messengerfreight.ca>



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From: Monique Paul [<mailto:mpaul@hoggfuel.com>]
 Sent: June 22, 2018 10:36 AM
 To: nathan@messengerfreight.ca
 Subject: MESSENGER FREIGHT SYSTEMS
 Importance: High

Nathan,

As per our conversation we have received Monday June 18th, 2018 PAD back as Account Frozen
 Account # 96246010 \$9,542.21
 Account # 96242510 \$49,590.24
 Total \$59,132.45

We are also holding this week's PAD Monday June 25th, 2018
 Account # 96246010 \$8,976.19
 Account # 96242510 \$47,579.43
 Total \$56,555.62

Leaving us in arrears of two weeks for \$115,688.07

Monday July 2, 2018
Account # 96246010 \$10,707.65
Account # 96242510 \$41,072.37
Total \$51,780.02

Total owing as of Monday July 2, 2018 \$51,780.02 + \$115,688.07= \$167,468.09

Below is how you are proposing to pay this
Monday July 2, 2018 \$83,734.05
Monday July 9, 2018 regular amount owing + \$27,911.35
Monday July 16, 2018 regular amount owing + \$27,911.35
Monday July 23, 2018 regular amount owing + \$27,911.35

Please confirm this is what you would like us to do and I will go and talk to the fuel manager and see if he will approve this option or not.

I have also attached a new PAD form for you to fill out with the new banking information

Thanks,

Monique Paul
Credit Analyst
Hogg Fuel and Supply Ltd.
Transit Petroleum Inc.
519-579-5330 Ext 1161
mpaul@hoggfuel.com




TAB

“C”

Jarrell, Susan

From: Monique Paul <mpaul@hoggfuel.com>
 Sent: Tuesday, July 03, 2018 11:17 AM
 To: Nathan McDaniel
 Subject: RE: MESSENGER FREIGHT SYSTEMS

This is Exhibit referred to in the affidavit of ... <u>Monique Paul</u> sworn before me, this <u>4</u> day of <u>October</u> 20 <u>18</u>  A COMMISSIONER FOR TAKING AFFIDAVITS
--

Nathan,

I did not hear back from you by 10am so I have submitted for Thursday July 5, 2018 \$83,734.05

Thanks,

Monique Paul
 Credit Analyst
 Hogg Fuel and Supply Ltd.
 Transit Petroleum Inc.
 519-579-5330 Ext 1161
 mpaul@hoggfuel.com

Kennedy Erin MacDonald, a Commissioner, etc.,
 Province of Ontario, while a Student-at-Law.
 Expires June 12, 2020.



From: Nathan McDaniel [mailto:nathan@messengerfreight.ca]
 Sent: Friday, June 29, 2018 4:05 PM
 To: Monique Paul
 Subject: RE: MESSENGER FREIGHT SYSTEMS
 Importance: High

Hi Monique,

My apologies for the delay; I was pulled a several directions today as well as yesterday. Would you please call me on Tuesday when you are back in the office? I just have a few questions regarding the terms...I want to make sure I am on the same page with you.

Cheers,

Nathan

From: Monique Paul [mailto:mpaul@hoggfuel.com]
 Sent: June 29, 2018 3:39 PM
 To: Nathan McDaniel <nathan@messengerfreight.ca>
 Subject: RE: MESSENGER FREIGHT SYSTEMS
 Importance: High

Nathan,

It is almost 4pm and we have not heard back from you regarding the information below. Can you please advise?

Thanks,

Monique Paul
 Credit Analyst
 Hogg Fuel and Supply Ltd.
 Transit Petroleum Inc.
 519-579-5330 Ext 1161
mpaul@hoggfuel.com



From: Monique Paul
Sent: Thursday, June 28, 2018 8:55 AM
To: 'Nathan McDaniel'
Subject: RE: MESSENGER FREIGHT SYSTEMS
Importance: High

Good Morning Nathan,

I have discussed at length your proposal with Tina Thorne the Credit manager and Trevor Chambers the Fuel Manager and we have all agreed we will accept this proposal, with below stipulations.

July 5	\$83,734.05	(50% of the arrears amount)
July 12	regular amount plus \$27,911.35	(16.67% of the arrears amount)
July 19	regular amount plus \$27,911.35	(16.67% of the arrears amount)
July 26	regular amount plus \$27,911.35	(16.67% of the arrears amount)

Currently terms are Net 14 with Monday PAD making your invoices 15 days old, if we agree to move your PAD to Thursday we will need to change your terms to Net 7 making your invoices 11 days old, we cannot keep your terms at Net 14 and pull on Thursday as that makes the invoices 19 days old.

We have continuously gone above and beyond to work with Messenger on their financial issues, but going forward we need to be reassured that we will no longer have any problems going forward which is why we are agreeing to the Thursday PAD.

We have already had to pay the fuel purchased and used by Messenger, as our terms are Net 7 with our supplier.

We need to be clear that this will be the last time we can split payments due to the inability to pay your fuel purchases on the agreed upon pull date.

We need the above approved no later than 3pm on Friday June 29, 2018, in order to pull the first payment on Thursday July 5th, 2018.

Thanks,

Monique Paul
 Credit Analyst

Hogg Fuel and Supply Ltd.
 Transit Petroleum Inc.
 519-579-5330 Ext 1161
 mpaul@hoggfuel.com



From: Nathan McDaniel [<mailto:nathan@messengerfreight.ca>]
Sent: Wednesday, June 27, 2018 5:40 PM
To: Monique Paul
Subject: RE: MESSENGER FREIGHT SYSTEMS

Good afternoon Monique,

Much thanks for the patience and support that both you and Tina have demonstrated; it means a lot to me. Attached is a scan of a voided cheque from our new checking account; please use this banking information for future billings. With regards to the below-mentioned proposal, I would ask that we adjust is slightly to be more in line with our original conversation. Would you please let me know if my proposal is acceptable?

July 5	\$83,734.05	(50% of the arrears amount)
July 12	regular amount plus \$27,911.35	(16.67% of the arrears amount)
July 19	regular amount plus \$27,911.35	(16.67% of the arrears amount)
July 26	regular amount plus \$27,911.35	(16.67% of the arrears amount)

With this payment plan, we would effectively have the arrears amount paid up by EOM July.

Cheers,

Nathan

Nathan McDaniel
 Financial Controller
 Messenger Freight System
 150 Dennis Road
 P.O. Box 100
 St. Thomas, ON N5P 0B6
 Bus: 519-631-9604 x107
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Credit Analyst
Hogg Fuel and Supply Ltd.
Transit Petroleum Inc.
 519-579-5330 Ext 1161
mpaul@hoggfuel.com



From: Nathan McDaniel [<mailto:nathan@messengerfreight.ca>]
 Sent: Monday, June 25, 2018 3:07 PM
 To: Monique Paul
 Subject: RE: MESSENGER FREIGHT SYSTEMS

Good afternoon Monique,

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details ready to relay by middle of this week. Regarding payments, would it be possible to move our PAD date to Friday in lieu of Monday? I am seeing through analysis of Max's cash flow projections that it is a challenge allocating amounts as such on Monday.

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Nathan

Nathan McDaniel
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 Sent: June 22, 2018 10:36 AM
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 Subject: MESSENGER FREIGHT SYSTEMS
 Importance: High

Nathan,

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 Account # 96242510 \$49,590.24
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Please confirm this is what you would like us to do and I will go and talk to the fuel manager and see if he will approve this option or not.

I have also attached a new PAD form for you to fill out with the new banking information

Thanks,

Monique Paul
Credit Analyst
Hogg Fuel and Supply Ltd.
Transit Petroleum Inc.
519-579-5330 Ext 1161
mpaul@hoggfuel.com



TAB

“D”

Jarrell, Susan

From: Monique Paul <mpaul@hoggfuel.com>
Sent: Wednesday, July 11, 2018 3:37 PM
To: Don Poort
Subject: Messenger

Nathan called and he is trying to reach you as he needs to stop payment on the \$62, 693.03!

I told him they had already gone in on our end. He said he will have to call the bank and put a stop payment on it!

Nathan 519-631-9604 ext 107

Thanks,

Monique Paul
Credit Analyst
Hogg Fuel and Supply Ltd.
Transit Petroleum Inc.
519-579-5330 Ext 1161
mpaul@hoggfuel.com

This is Exhibit D..... referred to in the
affidavit of Monique Paul
sworn before me, this 4
day of October..... 2018
Erin MacDonald
A COMMISSIONER FOR TAKING AFFIDAVITS

Kennedy Erin MacDonald, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires June 12, 2020.



IN THE MATTER OF NOTICES OF INTENTION TO MAKE A PROPOSAL OF 1732427
ONTARIO INC. AND 1787930 ONTARIO INC. BOTH OF THE CITY OF ST. THOMAS, IN THE
PROVINCE OF ONTARIO

Court File Nos. 35-2395487 and 35-2395481
Estates File Nos. 35-2395487 and 35-2395481

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
Proceeding commenced at London

AFFIDAVIT OF MONIQUE PAUL
(SWORN OCTOBER 4, 2018)

MILLER THOMSON LLP

One London Place
255 Queens Avenue, Suite 2010
London, ON Canada N6A 5R8

Sherry A. Kettle, LSO #53561B
Tel: 519.931.3534
Fax: 519.858.8511
Email: skettle@millerthomson.com

Lawyers for Transit Petroleum Inc.

-
TAB

“6”

Court File Nos. 35-2395487 and 35-2395481
Estates File Nos. 35-2395487 and 35-2395481

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF NOTICES OF INTENTION TO MAKE A PROPOSAL
OF 1732427 ONTARIO INC. AND 1787930 ONTARIO INC.
BOTH OF THE CITY OF ST. THOMAS, IN THE PROVINCE OF ONTARIO

**AFFIDAVIT OF TREVOR CHAMBERS
(Sworn October 4, 2018)**

I, Trevor Chambers of the City of Cambridge in the Regional Municipality of Waterloo,
MAKE OATH AND SAY:

1. I am the Division Manager of Transit Petroleum Inc. ("Transit") and, as such, have knowledge of the matters to which I depose. Where I do not possess personal knowledge, I have stated the source of my information in all such cases and do verily believe same to be true.
2. Transit supplied petroleum products to 1787930 Ontario Inc., carrying on business as Messenger Freight Systems ("178"). 178 set-up a pre-authorized payment system to pay Transit's invoices.
3. I have reviewed the affidavit of Nathan McDaniel ("Nathan"), Financial Controller of 178, sworn September 18, 2018 in connection with 178's motion for the return of the Agreed Payment, as defined and described below.

Communications prior to the July 5 Meeting

4. On or before June 22, 2018, I was made aware by Monique Paul ("Monique"), a credit analyst at Transit, that 178 had made the request to Monique to "skip" a weekly payment and then split that payment into four payments to be paid in equal installments for four weeks. We had done this for 178 in the past when they ran into cashflow issues and had made a similar request. 178 was a very important customer to Transit and we felt that working with them in this regard was warranted. This was, however, the fourth or fifth time that we had approved their request over the course of the last few years and we explained that we could not continue to do this moving forward.

5. From this point, Monique communicated with Nathan about the timing and amounts to be withdrawn. Attached hereto and marked as Exhibit "A" is an email string dated June 22, 2018 through June 28, 2018, between Monique and Nathan.

6. It was mutually agreed between Monique and myself that we would accept Nathan's proposal dated Wednesday, June 27, 2018 at 5:40pm. In the past, 178 had always lived up to the agreed obligations so we had no reason to believe that they would not this time.

July 3, 2018 PAD Submission to Credit Union

7. I was advised by email from Monique that on July 3, 2018 Transit would be submitting a PAD to the Credit Union for the amount of \$83,734.05 (the "Agreed Payment") to be debited from 178's account.

8. No one at 178 told me that the PAD for the Agreed Payment should not be submitted.

9. I was not contacted by anyone at 178 to stop the PAD for the Agreed Payment that was submitted on July 3, 2018.

10. I was not contacted by the Credit Union regarding any request made to it to stop the PAD for the Agreed Payment that was submitted on July 3, 2018.

The July 5 Meeting

11. I attended a meeting on Thursday, July 5, 2018 at around 1 p.m. at the Transit office (the "July 5 Meeting"). In attendance at that meeting on behalf of 178 was Louise Vonk ("Louise"), who I understand is the owner of 178, and Blaine Skirtschak ("Blaine"), the General Manager of 178. In addition to myself, Monique attended the meeting on behalf of Transit.

12. At the July 5 Meeting, Louise and Blaine together told us that CRA froze 178's bank account around mid-June. They told us that 178 then contacted MNP Ltd. ("MNP") who suggested that 178 should file a Notice of Intention to Make a Proposal ("NOI") to restrict further action by CRA and to give 178 some breathing room to re-organize financially in order to carry on with business.

13. During the July 5 Meeting, Louise and Blaine told us that MNP filed the NOI on Monday, July 2, 2018 and that the NOI papers would be sent out to creditors in the following

days. Louise told us that she wanted to meet with us before we received the NOI papers to provide advance notice and to explain the process. Louise said that she understood that 178 required the support of its three or four key vendors for fuel, trucks and contract drivers in order to continue to operate.

14. During the July 5 Meeting, Louise indicated that she was aware that the terms of payment between Transit and 178 would change for post-NOI purchases and that she was willing to do whatever was necessary to keep Transit as their supplier of fuel. During that meeting Louise made it clear that the outstanding balance for both pre-NOI and post-NOI purchases owing to Transit would be paid in full.

15. During the July 5 Meeting, Louise made it very clear that 178 had insisted that MNP allow the Agreed Payment to Transit to go through because 178 needed Transit as a supplier and because Transit was an important vendor in order for 178 to remain in business.

16. During the July 5 Meeting, there was no request by Louise or Blaine for a return of the Agreed Payment.

17. Prior to the July 5 Meeting, I did not know that 178 had filed an NOI on July 2, 2018.

Communications After the July 5 Meeting

18. I was present during a telephone conference with Nathan as well as other representatives of Transit, being Monique and Don Poort ("Don"), the Chief Financial Officer of Transit, on Monday, July 9, 2018.

19. During this call, Don indicated to Nathan that 178 must provide a security deposit to Transit in order for Transit to continue to supply fuel to 178. Nathan told Don that 178 was not able to provide a security deposit under the NOI. The conversation ended relatively abruptly after this as neither Transit nor 178 were willing to change their position on this requirement.

20. No one at 178 or MNP has asked me to direct Transit to return the Agreed Payment to 178.

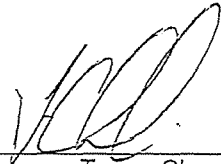
21. Transit specifically relied on the representations of 178, including Louise, Blaine and Nathan, that all purchases would be paid for by 178 and that the Agreed Payment had been

allowed to go through so that 178 could continue in business. Transit continued to supply fuel to 178 post-NOI at 178's request and continued to do business with 178 in good faith and based on 178's representations.

SWORN BEFORE ME at the City of Kitchener,
in the Regional Municipality of Waterloo, this 4th
day of October, 2018.



A Commissioner for taking Affidavits (or as may be)



Trevor Chambers

**Kennedy Erin MacDonald, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires June 12, 2020.**

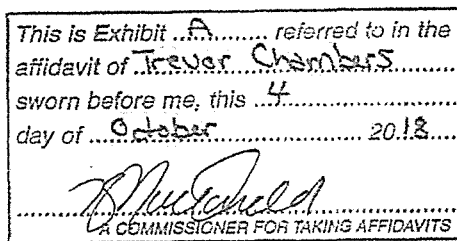
TAB

“A”

Not for a bit please, I have to get caught up on a few things. Thanks.

Trevor Chambers | Division Manager
Transit Petroleum Inc.
t 519 571 1220 ext.1170 | m 519 242 0188
1 888 717 FUEL (3835)

From: Monique Paul
Sent: June-28-18 8:26 AM
To: Trevor Chambers
Subject: FW: MESSENGER FREIGHT SYSTEMS



Kennedy Erin MacDonal, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires June 12, 2020.

Tina and I are going to come down and discuss this with you!

Thanks,

Monique Paul
Credit Analyst
Hogg Fuel and Supply Ltd.
Transit Petroleum Inc.
519-579-5330 Ext 1161
mpaul@hoggfuel.com

From: Nathan McDaniel [mailto:nathan@messengerfreight.ca]
Sent: Wednesday, June 27, 2018 5:40 PM
To: Monique Paul
Subject: RE: MESSENGER FREIGHT SYSTEMS

Good afternoon Monique,

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Cheers,

Nathan

Nathan McDaniel
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Messenger Freight System
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Monique Paul

*Credit Analyst
Hogg Fuel and Supply Ltd.
Transit Petroleum Inc.
519-579-5330 Ext 1161
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From: Nathan McDaniel [mailto:nathan@messengerfreight.ca]
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To: Monique Paul
Subject: RE: MESSENGER FREIGHT SYSTEMS

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Cheers,

Nathan

Nathan McDaniel
Financial Controller
Messenger Freight System
150 Dennis Road
P.O. Box 100
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Bus: 519-631-9604 x107
Fax: 519-631-1135

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Sent: June 22, 2018 10:36 AM
To: nathan@messengerfreight.ca
Subject: MESSENGER FREIGHT SYSTEMS
Importance: High

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Transit Petroleum Inc.
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ONTARIO INC. AND 1787930 ONTARIO INC. BOTH OF THE CITY OF ST. THOMAS, IN THE
PROVINCE OF ONTARIO

Court File Nos. 35-2395487 and 35-2395481
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ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
Proceeding commenced at London

AFFIDAVIT OF TREVOR CHAMBERS
(SWORN OCTOBER 4, 2018)

MILLER THOMSON LLP
One London Place
255 Queens Avenue, Suite 2010
London, ON Canada N6A 5R8

Sherry A. Kettle, LSO #53561B
Tel: 519.931.3534
Fax: 519.858.8511
Email: skettle@millerthomson.com

Lawyers for Transit Petroleum Inc.

-
TAB

“7”

Court File Nos. 35-2395487 and 35-2395481
Estates File Nos. 35-2395487 and 35-2395481

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF NOTICES OF INTENTION TO MAKE A PROPOSAL
OF 1732427 ONTARIO INC. AND 1787930 ONTARIO INC.
BOTH OF THE CITY OF ST. THOMAS, IN THE PROVINCE OF ONTARIO**

**AFFIDAVIT OF TINA THORNE
(Sworn October 23, 2018)**


I, Tina Thorne, of the City of Kitchener, in the Regional Municipality of Waterloo,
MAKE OATH AND SAY:

1. I am a Credit Analyst at Transit Petroleum Inc. ("Transit") and, as such, have knowledge of the matters to which I depose. Where I do not possess personal knowledge, I have stated the source of my information in all such cases and do verily believe same to be true.
2. I have reviewed the affidavit of Monique Paul ("Monique"), Credit Analyst at Transit, sworn October 4, 2018 (the "October 4 Monique Affidavit"). I have also reviewed the affidavits of Nathan McDaniel ("Nathan"), Financial Controller of 1787930 Ontario Inc., carrying on business as Messenger Freight Systems ("178"), sworn September 18, 2018 (the "September 18 Nathan Affidavit") and October 15, 2018 (the "October 15 Nathan Affidavit") in connection with 178's motion for the return of the Agreed Payment, as defined and described in the October 4 Monique Affidavit.
3. In response to paragraph 5 of the October 15 Nathan Affidavit, I refer to the e-mail string between Monique and Nathan from June 22 to 28, 2018 attached as Exhibit "A" to the October 4 Monique Affidavit. In his e-mail dated June 25, 2018 at 3:07 p.m., Nathan requested that the pre-authorized payment/debit ("PAD") amounts be moved from Monday to Friday.
4. Following that e-mail request, I had a telephone conversation with Nathan on June 26, 2018 at 11:33 a.m. Monique was also on that call. During that call, Monique and I explained that the terms of payment would have to change from Net 14 to Net 7 if the PAD

was changed from Monday to Thursday. Nathan agreed to the Net 7 payment terms and said that he understood why that change was required by Transit.

SWORN BEFORE ME at the City of Kitchener,
in the Regional Municipality of Waterloo, this
23rd day of October, 2018.


A Commissioner for taking Affidavits (or as may be)


Tina Thorne

Kennedy Erin MacDonal, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires June 12, 2020.

IN THE MATTER OF NOTICES OF INTENTION TO MAKE A PROPOSAL OF 1732427
ONTARIO INC. AND 1787930 ONTARIO INC. BOTH OF THE CITY OF ST. THOMAS, IN THE
PROVINCE OF ONTARIO

Court File Nos. 35-2395487 and 35-2395481
Estates File Nos. 35-2395487 and 35-2395481

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
Proceeding commenced at London

AFFIDAVIT OF TINA THORNE
(SWORN OCTOBER 23, 2018)

MILLER THOMSON LLP
One London Place
255 Queens Avenue, Suite 2010
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Lawyers for Transit Petroleum Inc.

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TAB

“8”

Court File Nos. 35-2395487 and 35-2395481
Estates File Nos. 35-2395487 and 35-2395481

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF NOTICES OF INTENTION TO MAKE A PROPOSAL
OF 1732427 ONTARIO INC. AND 1787930 ONTARIO INC.
BOTH OF THE CITY OF ST. THOMAS, IN THE PROVINCE OF ONTARIO**

**AFFIDAVIT OF MONIQUE PAUL
(Sworn October 23, 2018)**

I, Monique Paul of the City of Kitchener, in the Regional Municipality of Waterloo,
MAKE OATH AND SAY:

1. I am a Credit Analyst at Transit Petroleum Inc. ("Transit") and, as such, have knowledge of the matters to which I depose. Where I do not possess personal knowledge, I have stated the source of my information in all such cases and do verily believe same to be true.
2. As noted in my affidavit sworn October 4, 2018 (the "October 4 Monique Affidavit"), I have reviewed the affidavit of Nathan McDaniel ("Nathan"), Financial Controller of 1787930 Ontario Inc., carrying on business as Messenger Freight Systems ("178"), sworn September 18, 2018 (the "September 18 Nathan Affidavit") in connection with 178's motion for the return of the Agreed Payment, as defined and described in the October 4 Monique Affidavit.
3. I have also reviewed the affidavit of Nathan sworn October 15, 2018 (the "October 15 Nathan Affidavit") in connection with 178's motion
4. In response to paragraphs 5, 6(l), 7(a) and 8(b) of the October 15 Nathan Affidavit, I refer to the e-mail string between myself and Nathan from June 22 to 28, 2018 attached as Exhibit "A" to the October 4 Monique Affidavit. In his e-mail dated June 25, 2018 at 3:07 p.m., Nathan requested that the pre-authorized payment/debit ("PAD") amounts be moved from Monday to Friday.
5. Following that e-mail request, I had a telephone conversation with Nathan on June 26, 2018 at 11:33 a.m. Tina Thome, a Credit Analyst at Transit, was also on that call. During that call, Tina and I explained that the terms of payment would have to change from

- 2 -

Net 14 to Net 7 if the PAD was changed from Monday to Thursday. Nathan agreed to the Net 7 payment terms and said that he understood why that change was required by Transit.

6. I refer to the e-mail string between myself and Nathan from June 22 to 28, 2018 attached as Exhibit "A" to the October 4 Monique Affidavit. By e-mail to me dated June 27, 2018 at 5:40 p.m., Nathan on behalf of 178 offered the proposal which Transit accepted by my e-mail to Nathan on June 28, 2018 at 8.55 a.m. In my e-mail, I confirmed that Transit would "accept this proposal" for the Agreed Payment, as defined in the October 4 Monique Affidavit. While the proposal set out in Nathan's e-mail did not note the previously accepted Net 7 terms that had been discussed on June 26, 2018, those Net 7 terms had been agreed upon verbally and were not changed by Nathan's June 28, 2018 e-mail. My e-mail simply confirmed the verbal agreement that we made on June 26, 2018 during our telephone call and put the Net 7 terms in writing. Contrary to Nathan's assertion in the October 15 Nathan Affidavit, Transit did not change any term offered by Nathan on behalf of 178 at all. Rather, Transit accepted the offer made by Nathan on behalf of 178.

7. Contrary to Nathan's statements in paragraphs 6(b), 6(c) and 7(b) of the October 15 Nathan Affidavit, Nathan did not ask me to cancel or stop payment on the Agreed Payment, as defined in the October 4 Monique Affidavit, on July 3, 2018 or at any other time.

8. Contrary to Nathan's statement at paragraphs 6(e) and 7(g) of the October 15 Nathan Affidavit, Nathan did not ask me to return the Agreed Payment, as defined in the October 4 Monique Affidavit, at any time.

SWORN BEFORE ME at the City of Kitchener,
in the Regional Municipality of Waterloo, this
23rd day of October, 2018.


A Commissioner for taking Affidavits (or as may be)


Monique Paul

Kennedy Erin MacDonald, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law,
Expires June 12, 2020.

IN THE MATTER OF NOTICES OF INTENTION TO MAKE A PROPOSAL OF 1732427
ONTARIO INC. AND 1787930 ONTARIO INC. BOTH OF THE CITY OF ST. THOMAS, IN THE
PROVINCE OF ONTARIO

Court File Nos. 35-2395487 and 35-2395481
Estates File Nos. 35-2395487 and 35-2395481

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
Proceeding commenced at London

AFFIDAVIT OF MONIQUE PAUL
(SWORN OCTOBER 23, 2018)

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Lawyers for Transit Petroleum Inc.

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TAB

“9”

Court File Numbers: 35-2395487 and 35-2395481
 Estate File Numbers: 35-2395487 and 35-2395481

ONTARIO
 SUPERIOR COURT OF JUSTICE
 IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL
 OF 1732427 ONTARIO INC. AND 1787930 ONTARIO INC. BOTH OF THE
 CITY OF ST. THOMAS, IN THE PROVINCE OF ONTARIO

CROSS-EXAMINATION ON AFFIDAVITS
SWORN SEPTEMBER 18TH, 2018, OCTOBER 15TH, 2018
and OCTOBER 31ST, 2018

of NATHAN MCDANIEL, representative of 1787930
 Ontario Inc., at the offices of Marbrae
 Reporting and Mediation, at Kitchener,
 Ontario on Monday the 12th day of November,
 2018 at the hour of 1:30 p.m., pursuant to
 appointment.

APPEARANCES:

Bruce A. Simpson Counsel for 1787930 Ontario Inc.
 (Swanick & Associates)

Sherry A. Kettle Counsel for Transit Petroleum Inc.
 (Miller Thomson LLP)

ALSO ATTENDING:

Michael Christopher Ly
 (Swanick & Associates)

Also Present:

Monique Paul
 (Representative of Transit Petroleum Inc.)

Court File Numbers: 35-2395487 and 35-2395481
Estate File Numbers: 35-2395487 and 35-2395481

ONTARIO
SUPERIOR COURT OF JUSTICE

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NATHAN MCDANIEL	
Cross-Examination by Ms. Kettle;	5.

Transcript Ordered: November 12th, 2018

Transcript Completed: November 19th, 2018

Parties Notified of Completion: November 19th, 2018

3.

ONTARIO
SUPERIOR COURT OF JUSTICE
U N D E R T A K I N G S

	<u>PAGE</u>
To search your records for documentation to show payments made to Transit which were returned as NSF in April 2018 and my next one would be May 2018 (Question number 60.)	13.
To provide documentation to show the stop payments placed by 178 on PAD's to Transit within the last year (Question number 62.)	14.
To check your records for any emails to Monique Paul following her email of Tuesday, July three at 9:17 a.m. (Question number 139.)	29.
To look for all email correspondence between yourself and Trevor Chambers at Transit from June the 28th, 2018 to the present (Question number 164.)	35.
To make best efforts to provide me a copy of the stop payment paperwork that you submitted to Libro for the July 12th stop payment - if it was faxed or emailed the accompanying email or fax showing the date and time it was sent (Question numbers 232./236.)	48.-49.
To provide all email correspondence with Don Poort from June 28, 2018 to present (Question numbers 289./290.)	62.
To let me know to what date Transit supplied fuel to 178 (Question number 351.)	79.

4.

ONTARIO
SUPERIOR COURT OF JUSTICE

U N D E R T A K I N G S

	<u>PAGE</u>
To advise when you first contacted Petro Canada and when did you enter into an agreement with Petro Canada to supply fuel to 178 (Question numbers 353.-356.)	79!
To look for any correspondence from MNP and any communications with MNP regarding a demand for the return of the agreed payment (Question numbers 375./383.)	84./85.
To look for any internal emails with respect to the stop of the PAD (Question number 381.)	85.
To look for any internal emails for or relating to the demand for the return of the agreed payment (Question number 382.)	85.

NOTE: The preceding lists are provided as a service to counsel and do not purport to be complete nor binding on the parties herein.

5.

NATHAN MCDANIEL: SWORN

CROSS-EXAMINATION BY MS. KETTLE:

1. Q. So my name is Sherry Kettle, I'm a Lawyer for Transit Petroleum Inc. Can you state your name for the record please?

A. Nathan McDaniel.

2. Q. And can you spell that please?

A. It's N-A-T-H-A-N, last name, McDaniel, M-C-D-A-N-I-E-L.

3. Q. And Mr. McDaniel you have sworn three affidavits in connection with the motion by 1787930 Ontario Inc. and from now I'm going to refer to that 178 okay?

MR. SIMPSON: That's fine.

4. MS. KETTLE: Q. So it's a motion by 178 for return of a payment made to Transit Petroleum Inc. and again I'll refer to Transit Petroleum Inc. from hereon as Transit okay?

A. Okay.

5. Q. So a payment made to Transit in the amount of \$83,734.05 and in the materials that's been defined as that agreed payment. So the motion that you've sworn three affidavits in is in respect to that agreed payment correct?

A. Yes.

6.

6. Q. Okay so the three affidavits are, the first one is September 18, 2018 and that's in 178's motion record at tab two correct?

A. Yes.

7. Q. And your second affidavit is in the supplementary motion record of 178 at tab one and that is sworn October 15, 2018 correct?

A. Yes.

8. Q. And your third affidavit is in the second supplementary motion record at tab one and that affidavit is sworn October 31, 2018 correct?

A. Yes.

9. Q. And do you have any changes to make to those affidavits?

A. No.

10. Q. Thank you. Now you've heard the evidence of Monique Paul given this morning on her cross-examination on behalf of Transit correct?

A. Yes.

11. Q. So you are the Financial Controller of 178?

A. That's correct.

12. Q. And as a controller you are aware of

7.

the business of 178?

A. Yes.

13. Q. So 178 would be a transportation logistics company?

A. That's correct.

14. Q. It's also known as Messenger?

A. Messenger Freight Systems.

15. Q. Thank you. So 178 delivers goods using trucks?

A. Yes.

16. Q. And a significant purchase for 178's business would be fuel for those trucks correct?

A. It is a purchase yes.

17. Q. Because trucks can't operate without fuel?

A. Nor without labour and insurance and...

MR. SIMPSON: Just answer the questions.

A. Okay.

18. MS. KETTLE: Q. And without trucks operating goods simply cannot be delivered?

A. Yes.

19. Q. And in fact General Motors Cami Plant is a customer of 178 correct?

A. Yes.

8.

20. Q. And General Motors and the Cami Plant requires goods delivered according to a time schedule correct?
- A. Yes.
21. Q. And manufacturing lines at that plant can be shutdown if goods are not delivered according to a schedule?
- A. Yes but I'm not, I'm not certain that we are still doing business with Cami.
22. Q. But you were at the time?
- A. I'm not sure that we were doing business with Cami at that time either.
23. Q. Can you...
- A. I, I don't know basically is what I'm saying.
24. Q. Do you know if Cami was a customer?
- A. They were in the past yes Madam.
25. Q. Okay, thank you. Even if the Cami Plant at GM was not a customer at the time of the events that are the subject matter of your examination you had other customers who expected goods to be delivered according to a schedule?
- A. Yes.
26. Q. So Louise Vonk, that's V-O-N-K, is the owner of 178 is that correct?

9.

A. That's correct.

27. Q. And you report to Louise?

A. Yes.

28. Q. So as a financial controller you are in control of finances of 178?

A. Yes.

29. Q. Do you have a designating - an accounting designation?

A. In terms of a CPA?

MS. KETTLE: Yes.

A. No I do not.

30. MS. KETTLE: Q. CMA, CGA?

A. No Madam.

31. Q. No to either?

A. No to either.

32. Q. So as the financial controller it's your job to know how 178 is performing financially?

A. Yes.

33. Q. You review reports of revenues?

A. Yes.

34. Q. Expenses?

A. Yes.

35. Q. And profit and loss?

A. Yes.

10.

36. Q. You review bank statements?
A. Yes.
37. Q. And bank reconciliations?
A. Yes.
38. Q. You monitor the purchases of the
company?
A. Yes.
39. Q. So you would know that 178 purchased
a significant amount from Transit?
A. I'm sorry your question one more
time?
40. Q. The purchases from Transit would be
a significant amount for 178?
A. Yes.
41. Q. So purchases could be \$50,000 a week
of fuel?
A. Yes.
42. Q. It could be more it could be less
but it was a significant amount so at 50,000 a
week that could be purchases of 200,000 a month
correct?
A. Yes.
43. Q. So you're familiar with how
preauthorized debits are setup?
A. Yes.

11.

44. Q. And if I refer to a preauthorized debit as a PAD...

A. Mm-hmm.

45. Q. ...you'll understand that I'm referring, they're one in the same?

A. Yes.

46. Q. From now on I'll refer to a preauthorized debit as a PAD?

A. Sure.

47. Q. So you are familiar with how stop payments are placed with banks and credit unions who use PAD's?

A. I am now.

48. Q. You are now? Since you joined 178?

A. Shortly after.

49. Q. When would that be?

A. In terms of being able to stop a PAD...

MS. KETTLE: Yes.

A. ...is that what you're asking me? That was shortly after this incident.

50. MS. KETTLE: Q. Okay. So as a financial controller you review the payables of the company?

A. Yes.

12.

51. Q. You would be aware of unpaid source deductions and taxes payable to Canada Revenue Agency?
- A. What I was aware of at the time yes.
52. Q. And in fact you were aware that 178 was past due in paying amounts owing to CRA for source deductions and taxes in June 2018 correct?
- A. That's correct.
53. Q. And you were aware of requirements to pay issued by CRA to the Bank of Nova Scotia in respect to 178?
- A. Yes.
54. Q. And you were aware that 178's bank account was frozen by CRA in June 2018?
- A. Yes.
55. Q. In June 2018 you were aware that PAD's were returned to Transit because 178's bank account was frozen?
- A. Yes.
56. Q. You would be aware if there were any payments issued by 178 which were not cleared through 178's bank account like NSF payments, you would be aware of any NSF payments that did not clear through 178's bank account?

13.

A. Yes.

57. Q. And your bank would charge or 178's bank would charge 178 a fee for those NSF payments correct?

A. Yes.

58. Q. Okay. And it would be true that in April 2018 PAD payments made to Transit were returned NSF correct?

A. I have no information on that.

59. Q. I'd like to ask you to undertake to find out the answer to that question?

A. Okay.

MR. SIMPSON: Could you state the record please?

60. MS. KETTLE: Q. Sure. I'd like you undertake to search your records for documentation to show payments made to Transit which were returned as NSF in April 2018 and my next one would be May 2018?

MR. SIMPSON: Can we just say April and May 2018?

MS. KETTLE: Yes.

MR. SIMPSON: We'll provide that as the first undertaking. That's something you can locate?

14.

A. Sure.

MR. SIMPSON: Yes.

61. MS. KETTLE: Q. Thank you. And 178 placed stop payments on PAD's to Transit within the last year isn't that true?

A. Within the last year?

MS. KETTLE: Yes.

A. I wouldn't know. I started at the end of May.

62. MS. KETTLE: Q. I'd like you to undertake to provide me with documentation to show the stop payments placed by 178 on PAD's to Transit within the last year?

MR. SIMPSON: Is that something you can...

A. Yes.

MR. SIMPSON: That will be the second undertaking - stop payments within the last year.

63. MS. KETTLE: Q. Thank you. So I'd like to turn you to this is the affidavit of Monique Paul this in the responding motion record October four, 2018 and Monique's affidavit is sworn October four, 2018 and this is page 105? So at sort of midway down you'll see that it's

15.

an email from Monique Paul, I'll just refer to her as Monique from now on?

MR. SIMPSON: That's fine.

64. MS. KETTLE: Q. This was an email from Monique dated June 22, 2018 at 10:36 a.m. to yourself correct?

A. Yes.

65. Q. And you'll see there there's an indication that she spoke with you on that day do you recall that conversation?

A. Not offhand.

66. Q. Okay. You'll see this email is referring to Monday, June 18th PAD which had been returned as account frozen you see that there?

A. Yes.

67. Q. So you corresponded with Monique from that point on...

A. Yes.

68. Q. ...in this, there's an email string here that goes from June 22nd to June the 28th at this tab, so page 102 to page 106 of this tab?

A. Okay.

69. Q. And Monique was your only contact at

16.

Transit correct?

A. Yes.

70. Q. So...

A. Now I did correspond with Trevor as well and that, that was noted later.

71. Q. I believe you said that Monique was your only contact though at Transit?

A. My, my mistake. I, I did speak to Trevor through yeah.

72. Q. Do you have any other corrections you would like to make to your affidavits?

A. No. Sorry.

73. Q. Okay, thank you. So if we go to the next email which is on page 104 which is an email from yourself to Monique dated June 25, 2018 at 3:07 p.m.?

A. Yes.

74. Q. And you indicate there that you have new banking details that you're going to send to Monique?

A. That's correct.

75. Q. And those new banking details are for a new financial institution is that correct?

A. Yes.

76. Q. And that was Libro...

17.

A. That's correct.

77. Q. ...is the Credit Union?

A. That's correct.

78. Q. Previously it had been Bank of Nova Scotia is that correct?

A. Yes.

79. Q. And then on Tuesday, June 26 in the morning you had a telephone conference with Monique and Tina Thorne who is a Credit Analyst at Transit isn't that correct?

A. Yes.

80. Q. And during that telephone conversation Monique and Tina both told you that the terms of payment would have to change from net 14 to net seven if the PAD was changed from Monday to Thursday correct?

A. I don't recall the specifics on that.

81. Q. You don't recall the specifics or you just don't recall the conversation?

A. There were a lot of things discussed in the conversation but in terms of terms being moved I don't recall that being discussed.

82. Q. But you don't, you just don't remember?

18.

A. I don't remember.

83. Q. Thank you. Then you'll see if I move up to your next email which is on page 103, this is your email to Monique June 27, 2018 at 5:40 p.m.?

A. Yes.

84. Q. So now you have sent a void cheque to Monique for this new bank account at Libro and you've asked Monique to confirm the proposal that you had discussed with them?

A. I emailed here to discuss the payments that I was proposing to be made.

MS. KETTLE: Correct.

A. Yes.

85. MS. KETTLE: Q. And you had discussions as well on the 26th as you've confirmed...

A. ...mm-hmm...

86. Q. ...you just can't remember the details of those discussions with Monique and Tina?

A. That's correct.

87. Q. And I'll take you to Monique's email on page 102 which is dated Thursday, June 28th at 8:55 a.m. and this is an email from Monique to you and she has stated that she or Transit

19.

has agreed to accept your proposal and you'll see that?

A. Yes.

MS. KETTLE: Okay.

A. With the below stipulations.

MS. KETTLE: Correct.

A. Yes I see that.

88. MS. KETTLE: Q. And you'll see partway down there that Monique has said, we have continuously gone above and beyond to work with Messenger on their financial issues but going forward we need to be reassured that we will no longer have any problems going forward which is why we are agreeing to the Thursday PAD, do you see that?

A. Yes I do.

89. Q. Because there had been issues in the past with split payments, stop payments and NSF payments correct?

A. I wasn't aware of that.

90. Q. Okay but you're going to now look into...

A. Yes.

91. Q. ...those things for me? Thank you. Now I'd like to refer to your affidavit sworn

20.

October 31, 2018 and I'd like you to turn to tab A? So this actually tab one A.

A. Tab one A yes.

92. Q. This is an email from Sheldon Title at MNP dated Thursday, June 28, 2018 at 12:57 p.m. It's to Bruce Simpson and copied on that are Louise Vonk, Brent Swanick and yourself correct?

93. Q. You recognize that email?

A. Yes.

94. Q. And if you look down in that email you'll see that Sheldon says, I think he's referring to Tim. In the beginning it says I spoke with Tim again this morning the very beginning of that email and then going down to the second paragraph the second sentence it says, he asked for Brent to submit something substantial but as noted above I believe the BNS would prefer we head forward with an NOI, do you see that?

A. Yes I do.

95. Q. Okay so at least by then you knew there had been discussions about an NOI?

A. Yes.

96. Q. And you knew what NOI meant correct?

21.

A. No. Not at the time no.

97. Q. Did you ask? So there were discussions about the financial situation of the company correct at that time?

A. Yes.

98. Q. You knew that the bank account had been frozen?

A. Yes.

99. Q. Because you're in charge of the bank account?

A. That's correct.

100. Q. If we just go back for the moment to that email string we had been talking about in Monique's affidavit sworn October four, 2018 and this is again at tab A of her affidavit which is tab two of the responding motion record okay and I'm looking at page 105. And again it says here, as per our conversation we have received Monday, June 18th PAD back as account frozen, so you knew at that time that there had been some financial problems because the account was frozen?

A. At this time yes.

101. Q. And that was before you had those email discussions, that was before the email

22.

discussions here June 22nd with Monique right? This happened obviously before that it's referenced in Monique's email. So you knew there were financial problems, you were copied on an email on June 28th if we go back to your affidavit we were just referring to...

A. Mm-hmm.

102. Q. ...October 31, so that email from Sheldon Title to Bruce Simpson and you were copied on it June 28th there's a reference to an NOI and then it says please advise how you wish to proceed, so you did not know what an NOI was or that there were any discussions about restructuring at that point?

A. At, at this point yes I did.

MS. KETTLE: Oh you did.

A. But in terms of the scope of the in's and out's of a notice of intention I did not.

MS. KETTLE: Okay that's...

A. This was the first time I had exposure with this.

103. MS. KETTLE: Q. That's not what I'm asking. I'm not asking you if you're an expert in insolvency law or if you know the in's and

23.

out's of an NOI...

A. Yeah.

104. Q. ...I'm just asking if you knew about discussions about a restructuring and an NOI specifically at that point in time?

A. Well at the time the discussions were with MNP from a refinancing standpoint not from a proposal standpoint.

105. Q. Well it states here NOI?

A. Yes in this email on June 28th yes it does.

106. Q. Thank you. And in fact you knew that an NOI was being filed you knew that on June 29th, 2018?

A. I did not.

107. Q. Well I'd like to refer you to your affidavit again this is your October 31, 2018 affidavit? I believe it's the one right in front of you.

A. This one?

MS. KETTLE: Yes.

A. I thought this was from the 31st.

MR. SIMPSON: That's the 31st.

MS. KETTLE: Yes, sorry.

MR. SIMPSON: Which...

24.

MS. KETTLE: Yes it's the October, if I said the wrong date I apologize. It's the October 31st affidavit.

MR. SIMPSON: Yes.

A. Okay.

MR. SIMPSON: We're there.

108. MS. KETTLE: Q. Okay. If you could go to paragraph ten the very last sentence? As a result on June 29 it was resolved that 178 would file an NOI. At the beginning of that it says, as of June 29 it was concluded that 178 was unable to negotiate a resolution with CRA to forbear from enforcing the requirement to pay, which is defined as RTP, which had resulted in the frozen account with BNS, thus compromising 178's ability to carry on normal business financial transactions. As a result, on June 29 it was resolved that 178 would file an NOI?

A. That decision was made over the weekend by the owner.

109. Q. So June 29 was a Friday?

A. That's correct.

110. Q. Okay. I'd like to refer you to your affidavit sworn on October 15, 2018? This is in the supplementary motion record.

25.

MR. SIMPSON: Okay. Yes we have it.

111. MS. KETTLE: Q. Okay. So I'd like you to turn to page four and it's paragraph six L? Do you see there on the second last line of six L that it says, or sorry, the very last line, the decision to proceed, so 178 was left with no commercially viable option but to proceed with an NOI. The decision to proceed was made on June 29, do you see that?

A. Yes I do.

112. Q. And that's in your affidavit?

A. Yes.

113. Q. And you reviewed your affidavits before you swore them?

A. Yes I did.

114. Q. You did, okay. So I'll ask you again, you knew on the 29th of June that an NOI was being filed...

A. No.

115. Q. ...correct?

A. No that is incorrect. That...

116. Q. So your affidavit is incorrect?

A. The date that the decision was made was over the weekend which would'a been June, I'm without a calendar, if the Friday was the

26.

29th, the 30th would'a been the Saturday, it was the long-weekend. Our owner went home and decided it over the weekend.

117. Q. Okay so you've made two references to the decision being made on June 29th in two different affidavits so those are both incorrect?

A. It should be the weekend yes.

118. Q. Do you have any other changes you would like to make to your affidavits?

A. No none that I see.

119. Q. Okay I'd like to refer you back to the responding motion record of Transit and again the affidavit of Monique sworn October fourth and I'm looking at exhibit B to Monique's affidavit and specifically looking at page 108?

MR. SIMPSON: It's in exhibit B?

120. MS. KETTLE: Q. Correct. So if you could just flip to the next page for the moment 109 just to the bottom you see there is the Thursday, June 28, 2018 at 8:55 a.m. email from Monique to yourself?

A. Yes.

121. Q. So that was the day before right and above that beginning on page 108 is your email

27.

Friday, June 29, 2018 at 4:05 p.m. to Monique?

A. Yes.

122. Q. And you indicate there you were pulled in several directions that day and you had asked her to call you on Tuesday when you were back in the office or when she was back in the office correct?

A. Yes.

123. Q. And that's because the Monday was a holiday...

A. A holiday.

124. Q. ...like a statutory holiday because it was the July long-weekend...

A. That's right.

125. Q. ...and the first fell on the Sunday so the second was a Monday?

A. Yes.

126. Q. And then the third was the Tuesday when people returned to work?

A. That's correct.

127. Q. Okay. So it's Friday, June 29 at 4:05 p.m. and you'll agree with me in that email you didn't say anything in response to Monique about not putting the PAD through?

A. I'm sorry, once more?

28.

128. Q. In her email Thursday, June 28th, so going back to page 109...

A. Okay.

129. Q. ...at 8:55 a.m. Monique had set out the payments, you see the first payment's July five right, she said that this would be pulled on July the fifth and if you look above actually there's another email from her on the 29th at 3:39 p.m. it's sort of at the bottom of page 108...

A. Yes.

130. Q. ...at 3:39 p.m. saying it's almost four p.m. we have not heard back from your right, so you responded to her this is now your email going back to your email saying you've been pulled into several directions?

A. Yes.

131. Q. You didn't say don't pull the PAD?

A. I - no that's not in the email no.

132. Q. No. You didn't say we have no agreement?

A. I'm sorry, I did not say what?

133. Q. You didn't say I disagree with what you set out in your June 28, 8:55 a.m. email, you didn't say you disagreed with it?

29.

A. That's correct.

134. Q. Okay. So then just moving to the top of page 108 you'll see an email from Monique to yourself Tuesday, July three at 9:17 a.m., she called and left a message for you, do you recall getting a message from her?

A. No I do not.

135. Q. Okay. But you got this email correct?

A. Yes.

136. Q. And she asked you to call her as soon as possible but you didn't did you?

A. I don't recall.

137. Q. You didn't email her back did you?

A. I'm not sure if this was the last email chain on this one.

138. Q. Okay I'll ask the question again. Did you email her back after July the third at 9:17 a.m.?

A. I do not recall.

139. Q. Okay I'm going to ask you to undertake to check your records for any emails to Monique Paul following her email of Tuesday, July three at 9:17 a.m.?

MR. SIMPSON: We'll give that

30.

undertaking yes.

140. MS. KETTLE: Q. Thank you. So you're looking for any emails to Monique following her email of July three at 9:17 a.m. like any emails at all about anything correct, not just about...

MR. SIMPSON: We've given the undertaking yes.

141. MS. KETTLE: Q. All right, thank you. Now you did not call Monique on June 29th so just prior to that, again we saw the email saying you know you wanted her to call you on July the third but you didn't call her on June 29th you sent her that email you didn't call her though and say don't put that PAD through on July third?

A. I don't recall calling her in that regard no.

142. Q. And you did not call her on July third and to ask her to not put the PAD through did you?

A. I'm not certain if that was the case.

143. Q. So you don't know if you did or not, you have no recollection?

A. I recall talking to her and asking

31.

her to stop the PAD and she communicated that that was not possible.

144. Q. When was that?

A. I would say July third or fourth. It was before the PAD was slated to come out.

145. Q. Was anyone else on that call?

A. In my office or...

MS. KETTLE: Yes.

A. No. No.

146. MS. KETTLE: Q. Was anyone else on that call at Transit other than Monique?

A. I don't recall.

147. Q. What time of day was that call?

A. I don't recall.

148. Q. So after Monique - so let's just go to the next tab actually in Monique's affidavit this is exhibit C, this is again her October fourth, 2018 affidavit page 115 of the responding motion record?

A. Okay.

149. Q. So Tuesday, July three at 11:17 a.m. Monique emailed you and said, Nathan I did not hear back from you by ten a.m. so I have submitted for Thursday, July five, 2018 \$83,734.05, do you see that?

32.

A. I do.

150. Q. Okay. And again I see no email back from you regarding not putting the PAD through, stopping payment, I'm going to suggest their isn't one but you just don't recall correct?

A. I'm sorry, one more time with your question?

151. Q. You don't recall whether or not you replied to this by email?

A. By email I don't know for certain.

152. Q. And you did not email Monique on July third to say we did not have an agreement did you?

A. I don't believe I responded back to her.

153. Q. Like ever?

A. I'm not certain.

154. Q. So when you say I don't believe I ever responded back to her you didn't respond back to her...

A. I'm not certain.

155. Q. Okay so I just want to clarify, you're not certain about ever responding back to her or about not responding back to her about the agreement?

33.

A. Well I was not in agreement with that and I'd have to check emails to determine whether I responded back or not.

156. Q. Okay. So would there possibly be letters to Monique or would it be emails?

A. Do you mean like a handwritten letter or a typed letter?

MS. KETTLE: Yes or a typed letter.

A. No, no letters it would be email.

157. MS. KETTLE: Q. So if you responded back it would be by email?

A. That's correct.

158. Q. So is it your evidence that you called Monique after her emails to you on the morning of July third saying she was going to submit the PAD, she had called and left messages and then finally she said I've submitted it, you called her at some point after that, is that your evidence in terms of timing or you just don't even remember?

A. I don't remember calling her after the third but I know I called her around that period to ask her to stop the PAD that was slated to come out for the fifth.

159. Q. Do you remember if it was after the

34.

email she sent to you the morning of July third? So she sent you, 9:17 a.m. so this is page 108. Page 108 this is exhibit B to Monique's affidavit this was her email to you July three at 9:17 a.m., I've called and left a message if you could please call me as soon as possible I need to submit Thursday, pull by ten a.m. this morning. Did you call her after that email and before her next email at 11:17 which is on page 115?

A. I don't recall the time.

160. Q. You don't recall?

A. The specific time, sorry.

161. Q. Okay. Well she's indicating, if you go to page 115, she has indicated there that she did not hear back from you by ten a.m. and so she submitted the PAD?

A. That's what she stated in the email yes.

162. Q. And you - that doesn't help your memory as to whether you called her after you read that email?

A. Not offhand no. I, I know I called and I spoke to her before the PAD was slated to come out which would'a been the fifth. I know I

35.

asked that it be stopped or cancelled, I was told that it was not possible at this point and then I also reached out to Trevor I believe that was via phone and asked for the PAD to be stopped.

163. Q. You believe it was by phone or you're just not sure?

A. I'm pretty sure it was phone. I don't think I had email correspondence with Trevor.

164. Q. I'd like you to undertake to look for all email correspondence between yourself and Trevor Chambers at Transit?

A. Yes.

MR. SIMPSON: From when?

MS. KETTLE: From June the 28th, 2018 to the present.

MR. SIMPSON: We can do that yes.

That's undertaking number four.

165. MS. KETTLE: Q. And just to be sure that would be the only way you would communicate with him other than verbally it would be by email not like a letter that you would fax to him or anything like that right?

A. That's right.

36.

MS. KETTLE: Okay.

MR. SIMPSON: Just if I may so we're clear on that?

MS. KETTLE: Yes.

MR. SIMPSON: That was the only way he would communicate in writing?

MS. KETTLE: Yes.

MR. SIMPSON: Thank you.

166. MS. KETTLE: Q. So I'd like to refer you now to this is exhibit G to the affidavit of Don Poort sworn October four, 2018 and that is in the responding motion record. Exhibit G is page 67 of that record and it is the first report to the Court submitted by MNP Ltd. and it's dated July 26, 2018, do you recognize that? This is in the matter of the notice of an intention to make a proposal of 128?

A. Yes.

167. Q. Okay. So if you turn to page 75 of that report there's a section that has a title, Transit Petroleum Inc. do you see that?

A. Yes.

168. Q. And then if you go down to paragraph 35, so referring to this, well I'll just read it. On July five, 2018 Transit Petroleum

37.

received payment via a preauthorized payment in the amount of \$83,734.05 and it's defined there as retained funds, it's the same money that we're referring to as the agreed payment okay. And then it says, on July four, 2018 and July five, 2018 Messenger attempted to stop this payment which was in respect of the supply of pre NOI fuel first by approaching Transit Petroleum and then by contacting it's Credit Union. So you'll agree, well I'm assuming - let me put this to you, that information would've come from you correct?

A. What information is that?

169. Q. That on July four, 2018 and July five, 2018...

A. Yes.

170. Q. ...Messenger attempted to stop this payment...

A. Yes.

171. Q. ...which was in respect of supply of pre NOI fuel first by approaching Transit Petroleum and then contacting it's Credit Union?

172. Q. You would've supplied that information to MNP the proposal trustee...

A. That's correct.

38.

173. Q. ...for this report?

A. Yes.

174. Q. Okay. There's no mention of July third there is there?

A. I don't see the mention of the third no.

175. Q. No. And are you suggesting that you had approached Transit on July five?

A. No it, it would've been, it would've been the fourth, it was around about that time.

176. Q. Because you're not really clear when it was?

A. It was definitely before the fifth I don't believe it was on the Tuesday when we returned back to work from the long holiday, I'm fairly confident that it was the Wednesday which would've been the fourth but it was definitely before the date that it was slated to come out.

177. Q. So you're saying it was on the fourth that you approached...

A. I feel confident that it was the fourth yes.

178. Q. ...that you approached Transit?

A. That's correct.

179. Q. So it wasn't on the third, you

39.

didn't call Monique on the third then?

A. I don't believe so no.

180. Q. Okay. So you think you called Monique on the fourth but you're not sure?

A. I, I believe so.

181. Q. And you also now take the position that you called Trevor on the same date?

A. Yes they would've been on or about the same date because...

182. Q. Even though Monique told you it could not be stopped?

A. That's correct.

183. Q. But you have no email in your materials showing an email - you have no email materials to Monique or to Trevor or anyone suggesting that the PAD should be stopped?

A. That's correct.

MR. SIMPSON: I think that's contrary to his affidavit which we discussed this morning.

184. MS. KETTLE: Q. Do you want to show me where you're referring?

MR. SIMPSON: I'm looking at the second supplementary motion record paragraph 11.

MS. KETTLE: Okay just let me get there.

40.

Oh no, no, no, so you've misunderstood me.

MR. SIMPSON: Okay.

MS. KETTLE: I am suggesting an email from you to Trevor, this is an email...

MR. SIMPSON: I agree with the distinction. There was an email but it was not to Trevor.

185. MS. KETTLE: Q. Okay so to clarify...

A. It was, it was a phone conversation to Trevor yes.

MS. KETTLE: Okay.

A. As well to Monique.

MS. KETTLE: All right.

MR. SIMPSON: Sorry Counsel.

186. MS. KETTLE: Q. But you're not sure if there was an email?

A. I'm not sure.

187. Q. Okay. But you haven't produced any emails let's put it that way that would show that you asked for a stop payment from Monique?

A. That's correct.

188. Q. Or Trevor?

A. That's correct.

189. Q. Or anyone at Transit?

41.

A. That's correct.

190. Q. And you haven't produced any emails saying that there was no agreement?

A. I'm sorry, one more time?

191. Q. You have not produced any emails to anyone at Transit disputing that there was an agreement about the agreed payment there's no email correspondence in the materials anywhere saying that you didn't agree with it?

A. There was no email disputing it.

192. Q. Okay. So you advised the proposal trustee that you had contacted the Credit Union?

A. Yes.

193. Q. And there's no details of when you did that is there?

A. I would've done that after the PAD came out to stop the second PAD, that was when I became aware that it could be done through the Credit Union.

194. Q. So you're talking about the second PAD?

A. That's correct.

195. Q. Which PAD is that?

A. It would've been the second one that was slated to come out I believe.

42.

196. Q. Can you be more specific in terms of the date of the PAD that you're referring to as the second PAD?

A. I think...

MR. SIMPSON: Would it be...

A. Yeah July 12th.

197. MS. KETTLE: Q. So again going back to the proposal trustee's report this is...

MR. SIMPSON: Page 75, I've got it.

198. MS. KETTLE: Q. Page 75 of Don Poort's affidavit paragraph 35 it's that second sentence on July four and July five, Messenger attempted to stop this payment and I'll skip to the last part, first by approaching Transit Petroleum and then by contacting it's Credit Union?

A. That's correct.

199. Q. So you're referring to what payment there?

A. What I advised was that any future payments from them should be stopped.

200. Q. So you advised, when you contacted the Credit Union on July four or July five?

A. About, about that time yeah.

201. Q. Any future payments, not the July fifth PAD but the subsequent one on July the

43.

12th that's the one that you were talking about there?

A. Yeah. When I contacted the Credit Union I gave them the amounts that were in that prior email as well the company Transit Petroleum.

202. Q. And what day was that?

A. I'm not certain offhand.

203. Q. And how did you contact the Credit Union?

A. Through the phone.

204. Q. And you gave them the amounts over the phone?

A. Yes.

205. Q. Not in - you didn't have to fax them anything?

A. No.

206. Q. You just asked them to stop payment verbally over the phone no documentation whatsoever?

A. Well I learned in the phone conversation that I could have a PAD stopped by way of contacting the Credit Union directly and then it...

207. Q. Just to clarify, the conversation,

44.

you learned over the phone with who?

A. Libro Credit Union.

208. Q. Okay. So Libro told you over the phone that you could do what?

A. Stop a preauthorized debit.

209. Q. Did they say how?

A. There's a process I believe it's paperwork that I have to complete and I remit to them.

210. Q. So there is paperwork that has to be completed?

A. Yes. Yes.

211. Q. Okay. And so you didn't complete that paperwork to stop the PAD that came out of the bank on July the fifth?

A. No. I wasn't aware that that was an option.

212. Q. Okay. I'd like to take you to your first affidavit, this is the one sworn September 18, 2018?

MR. SIMPSON: We're there.

213. MS. KETTLE: Q. Okay. Paragraph six you stated, I contacted our financial institution advised them to stop the preauthorization payment system to Hogg but they

45.

were unable or unwilling to cancel the preauthorization immediately?

A. That's correct.

214. Q. When did you do that?

A. That would'a been July fifth. I believe it was July fifth.

215. Q. Is that the conversation you're talking about now that we just finished talking about, the conversation with Libro where they told you there's paperwork you have to file and...

A. Yes.

216. Q. ...you told them to stop the payment on the July 12th PAD?

A. I wanted to stop the payment on, on, I wanted to stop the very first payment but I was unable to because it had already been withdrawn from the account.

217. Q. Because you called them on July fifth after it had been withdrawn?

A. Yes.

218. Q. And that's why it could not be stopped because it was already gone?

A. Well they advised that there were ways that even, even though it had been

46.

withdrawn going forward she explained that there were ways that they could do it within a timely fashion.

219. Q. But you'll agree that you had been advised by Monique on the morning of July third that the PAD had been put through for July fifth?

A. One more time with your question?

220. Q. Monique had sent an email to you on the morning of July third advising you that the PAD had been submitted to the financial institution to be withdrawn on July the fifth, she sent that email to you?

A. Yes. On the third yes.

221. Q. Okay. And you did not contact the financial institution in this case the Credit Union Libro you did not contact Libro until sometime on July fifth when it was too late?

A. That's correct.

222. Q. But you could have contacted them any time on July third, any time on July fourth but you didn't?

A. I was relying on the opinion of Monique at the time.

223. Q. Sorry on what?

47.

A. I was relying on the opinion of Monique at the time when she advised that it couldn't be stopped because it had already been submitted.

224. Q. Well perhaps it couldn't be stopped because it had been submitted that doesn't mean the Credit Union can't stop it, it may mean that Monique can't stop it. I mean it's disputed Monique as you know because you were here this morning disputes even having a conversation with you?

A. Yes.

225. Q. So she says she would not have even told you that because she didn't even speak with you in July until the ninth?

A. We did have conversation yes.

226. Q. Okay so you disagree with her on that but there was nothing stopping you from contacting the Credit Union yourself?

A. Again, I relied upon her opinion that at that point the PAD could not be stopped.

227. Q. But she never told you to rely only anything like again she disputes even talking to you about it...

A. Yes.

48.

228. Q. ...but even if it was true which we deny even if it was true you could have called the Credit Union couldn't you like you did on the fifth...

A. Yes.

229. Q. ...after it was too late?

A. Yes.

230. Q. Thank you. So you contacted the Credit Union Libro on July the fifth and they said that you could prepare paperwork to stop the payment on July the 12th?

A. That's correct.

231. Q. And you did prepare that paperwork didn't you?

A. Yes.

232. Q. I'd like you to undertake to provide me a copy of the stop payment paperwork that you submitted to Libro for the July 12th stop payment?

MR. SIMPSON: We will make best efforts to provide that I'm not sure what we'll have access to Ms. Kettle. So that's undertaking number five, provide stop payment documentation sent to Libro.

233. MS. KETTLE: Q. And I take it you

49.

wouldn't have any other documentation prior to that with Libro regarding a stop payment prior to that stop payment being submitted you had just called them you hadn't submitted any other, you hadn't emailed them about the stop payment?

A. No.

234. Q. It was all over the phone?

A. That's correct.

235. Q. And then they sent you the paperwork you completed it and sent it back to them?

A. Yes.

236. Q. Okay so not only the paper - so the undertaking's not just for the paperwork but also if it was faxed or emailed the accompanying email or fax showing the date and time it was sent?

MR. SIMPSON: Yes. We'll extend that.

237. MS. KETTLE: Q. I'd also like you to find out for me unless you remember who you spoke with at Libro?

A. I don't recall. You get a different customer service person when you call.

238. Q. Do you have any documentation as to when you called?

A. No.

50.

MR. SIMPSON: So if that was undertaking number six you'd asked about the person he contacted if he didn't remember and I think his answer was you just get a service person.

MS. KETTLE: Yes.

MR. SIMPSON: So you don't need an undertaking?

MS. KETTLE: No that's fine.

MR. SIMPSON: Okay.

239. MS. KETTLE: Q. Do you need a break now or do you want to keep going?

A. I'm fine.

MS. KETTLE: Okay.

A. Thank you.

MS. KETTLE: Are you folks over there good to continue?

MR. SIMPSON: I am.

MR. LY: Yes.

240. MS. KETTLE: Q. Thank you. So I understand that there was a meeting held at the offices of Transit on the afternoon of July five, 2018 and at that meeting Louise Vonk your boss...

A. Mm-hmm.

51.

241. Q. ...and Blaine a General Manager from 178 attended at that meeting are you familiar with that meeting, are you aware that it happened?

A. I'm aware of the meeting yes.

242. Q. But you were not at that meeting correct?

A. That's correct.

243. Q. So I understand there was a call on July nine, 2018 and that you were on that call with Don Poort of Transit, Monique and Trevor Chambers, so Don, Trevor and Monique from Transit and then yourself do you recall that phone call?

A. I recall the conversation I'm not sure as to who was on the phone call specifically.

244. Q. You've read the affidavits though...

A. Yes.

245. Q. ...that have been submitted and so you would see that Monique and Nathan and Don all say they were on the call?

A. Monique and who?

246. Q. Sorry, Monique, Don and Trevor?

A. Okay yeah.

52.

MS. KETTLE: I think I misspoke.

A. Yeah I was there as well.

247. MS. KETTLE: Q. So you remember that call on July ninth correct?

A. Yes.

248. Q. And during that call you acknowledged that you had allowed that agreed payment to go through didn't you?

A. That's not correct.

249. Q. It's not correct? During that call you did not request that the agreed payment be returned did you?

A. I asked that it be returned during the call.

250. Q. During the July ninth call?

A. I believe that was the case yes.

251. Q. But you're not sure?

A. I recall asking for the funds to be refunded back.

252. Q. When you say that do you mean you just generally recall asking for them back at some point in time?

A. It was one of the main points of the, of the phone conversation I do recall asking for it.

53.

253. Q. On July the ninth?

A. On the conversation that I had with Mr. Poort and the others that were on the call.

254. Q. Okay. I'd like to turn to Mr. Poort's affidavit sworn October four, 2018 that's at tab one of the responding motion record and page three, paragraph 14? You'll see here that Mr. Poort says, Nathan did not request a return of the agreed payment during the July nine, 2018 call?

A. I see that.

255. Q. Okay. Now I'd like to take you to your affidavit?

A. Mm-hmm.

256. Q. This one is sworn October 15, 2018 it's in your supplementary motion record?

MR. SIMPSON: I'm sorry which tab are you wanting?

MS. KETTLE: This is the supplementary motion record.

MR. SIMPSON: Yes, paragraph?

MS. KETTLE: Nathan's supplementary affidavit October 15, paragraph, so it's page three.

MR. SIMPSON: Yes.

54.

MS. KETTLE: And it's paragraph six E.

MR. SIMPSON: Thank you.

257. MS. KETTLE: Q. So you state, all though I did not request the return of the agreed payment from Don as he stated in paragraph 14 the one we just reviewed...

A. Mm-hmm.

258. Q. ...I did request the return of the agreed payment from my Transit/Hogg contact Monique?

A. I recall I did make multiple requests for the funds to be returned.

259. Q. Multiple requests?

A. Yes. To Monique and to Don.

260. Q. So at six, paragraph six E is that incorrect?

A. My request to Don might've been before the phone call on July ninth but I do recall asking Don for the refund of the funds as well.

261. Q. I'd like to take you to Don Poort's affidavit the same one we were just looking at October four, 2018 paragraph six on page two? I was never contacted by anyone at 178 to stop the PAD for the agreed payment that was submitted on

55.

July three, 2018 and I'd like to take you back to your affidavit the same one we were just looking at the supplementary affidavit sworn October 15, 2018 page three, paragraph six B? I did not contact Don as stated in his paragraph six because my only contact person at Transit/Hogg was Monique?

A. That is correct. At the time my main contact was Monique when I learned, when I learned that she could not stop the PAD I started to work the chain of command with them requested it, I believe I requested it from Trevor, I know I requested it from Don. I don't know if it was in that phone call from the ninth but I know I requested it from Don.

262. Q. So we're talking about the return of the agreed payment?

A. That's right.

263. Q. So is it your evidence that you requested the return of the agreed payment from Monique?

A. I don't believe so. I, I know I contacted Monique in the beginning to ask her to stop the PAD I'm not certain if I asked her to refund it because at that point I thought I

56.

would deal with the CFO directly on this matter.

264. Q. So I'd like you to go again to your paragraph six E in your affidavit sworn October 15th? Although I did not request the return of the agreed payment from Don as he stated in paragraph 14 I did request the return of the agreed payment from my Transit/Hogg contact Monique, is that then incorrect?

A. In the phone conversation we had the conference call I believe I asked for it then.

265. Q. Which conference call just to be clear what date are you talking about?

A. It was the one you referenced I believe it was July ninth or...

266. Q. The July ninth call?

A. Yeah.

267. Q. So you think you asked for it on July the ninth?

A. I would've asked for it because it was recommended that I, that I do so.

268. Q. But you've already said in that same paragraph E that you did not request the return of the agreed payment on that date because that's referencing Mr. Poort's statement paragraph 14 that said that you did not request

57.

the return of the agreed payment during the July ninth call. And in your paragraph you said, although I did not request the return of the agreed payment from Don as he stated in paragraph 14 so you're agreeing with him? You're agreeing you did not ask for return of the agreed payment during the July ninth call?

A. I would've asked for because at that time we were working with MNP and it was advised to identify any pre NOI payments that they had identified as pre NOI, this fell under the guise of that so that's why I requested that the amount be refunded back to us.

269. Q. So are you saying that was the first time you asked for the agreed payment to be returned was on July ninth because that's when MNP asked you to identify any pre NOI purchases that had been paid since the NOI is that the first time you would have asked for it back because of that request by MNP?

A. I'm not certain that that would've been the first time.

270. Q. I'm going to suggest to you that these statements cannot both be true. In your paragraph six E you said, although I did not

58.

request return of the agreed payment from Don as he stated in paragraph 14, you're agreeing with him there in his paragraph when he said you did not, he said, Nathan did not request a return of the agreed payment during the July ninth, 2018 call. You agreed with him here in your affidavit are you changing that evidence now?

A. So you're asking me if I'm changing the date of which I asked for the money to be returned?

271. Q. I'm suggesting that you agreed with Don Poort when he said that you did not ask for a return of the agreed payment during the July ninth call?

A. I did ask for the funds to be returned yes.

272. Q. Okay. So then I'm going to suggest to you that that statement in your paragraph six E is incorrect?

A. Then that would be the case.

273. Q. Wouldn't you agree?

A. Yes.

274. Q. Although I did not request return of the agreed payment from Don as he stated in paragraph 14...

59.

A. Yes.

275. Q. ...so that's incorrect?

A. Yes.

276. Q. I have to ask you again are there any other corrections that you need to make to your affidavits?

A. I don't believe that to be the case.

277. Q. Okay, thank you. So you're suggesting in that paragraph six E you don't say although I did not request return of the agreed payment from Don as he stated in paragraph 14 which is the July ninth telephone call you didn't say although I didn't ask for it then I did ask for it a different date from Don, you say yeah I didn't ask for it from him on July ninth but I did ask for it from Monique?

A. I'm sorry what's your question?

278. Q. You didn't even - you totally changed who it was so you said it wasn't Don on July ninth you didn't say I did ask for the return of the agreed payments from Don on a different date?

A. I was trying to exhaust all avenues with regards to this request, I asked Monique, I asked Don, I asked Trevor.

60.

279. Q. When?

A. They were phone conversations that we had the specifics I, I don't remember the dates sorry.

280. Q. This is your second supplementary affidavit sworn October 31, 2018. Your email dated July four, 2018 at 2:37 p.m. to Louise and others at 178 so some internal email, but you suggest in there, I spoke to Trevor Chambers regarding meeting tomorrow, I asked him to put a stay on the PAD scheduled for the end of the week, although that is disputed from the evidence given by Trevor Chambers in his affidavit but are you now suggesting you had another conversation with Trevor?

A. No I believe I only spoke to him once.

281. Q. Once?

A. Yeah.

282. Q. So your evidence is you asked him to put at stay on the PAD?

A. Yes and I believe that would've been after I spoke to Monique. Monique would've been the first person that I asked.

283. Q. Are you here talking - this is July

61.

fourth at 2:37 p.m. and we talked about you calling the Credit Union on July the fifth and they said you could not, they told you you could put a stop payment on the July 12th PAD?

A. That's right.

284. Q. So are you talking here, when you talk about I asked him to put a stay on the PAD scheduled for the end of the week are you talking about the next one the July 12th?

A. No this would've been for July fifth.

285. Q. Okay so you're talking about the July fifth so as far as you know then like it had not been withdrawn yet?

A. No.

MS. KETTLE: Right.

A. Not, not at that point.

286. MS. KETTLE: Q. And we know it came out on July the fifth?

A. That's right.

287. Q. So then you never asked Trevor to return the money after it had come out, the agreed payment, you never asked Trevor to return it?

A. Asking Trevor to return the money?

62.

MS. KETTLE: Yes.

A. No.

288. MS. KETTLE: Q. Okay, so it was not, you didn't ask Trevor to return the agreed payment?

A. No I asked him to stop the, the PAD from going through.

289. Q. Okay, thank you. So I think I've asked you to undertake to provide me with all of your email correspondence with Monique and Trevor for the period in question, I'd also like you to provide the same undertaking for Don Poort?

MR. SIMPSON: Undertaking six.

290. MS. KETTLE: Q. So an undertaking to provide all email correspondence with Don Poort from June 28, 2018 to present? Now I'm assuming once again there wouldn't be anything in writing other than by email?

A. That's correct.

291. Q. Do you keep telephone notes?

A. No.

292. Q. Okay I'd like to have you turn to your supplementary affidavit sworn October 15, 2018 and page three this is paragraph six F?

63.

You're referring to tab B of Mr. Poort's affidavit again which was sworn October fourth, 2018 and then paragraph G below that you state, Transit/Hogg's ongoing supply of fuel was conditional on the retirement of pre NOI debt and you're responding to Mr. Poort's responding email July ten at page 21. There is in fact no reference in that email by Mr. Poort to the condition by Transit of the ongoing supply of fuel on the retirement of pre NOI debt correct? I'll let you read it over.

A. Thank you.

MR. SIMPSON: Yes.

A. I'm sorry, what was your question once more?

293. MS. KETTLE: Q. Going back to your paragraph six G on page three...

A. Mm-hmm.

294. Q. ...you state, Don's responding email July ten, tab B at page 21 references amounts up to and including July two, and then you state Transit/Hogg's ongoing supply of fuel was conditional on the retirement of pre NOI debt, he does not say that anywhere in this email does he?

64.

A. I'm not seeing it there.

295. Q. No. So this is again and I'm not sure if I've stated it for the record but it's July ten, 2018 at 11:35 a.m., it's an email from Don Poort to yourself?

A. Yes that's the one that I'm looking at.

296. Q. Okay so if you go down maybe two-third's of the way down it says, to be clear if paid on July ten, 2018 Transit requires a payment in the amount of \$85,989.06, do you see that?

A. Yes I do.

297. Q. Okay. And as I understand it that is the total of your balance up above it says, your balance from July three to July nine is \$62,989.06 plus below that in order to eliminate the daily maximum Messenger is required to pay the July three to July ninth balance above plus and then you'll see the next one it says for Transit card locks Transit will be executing a PAD pull in the amount of 12,000 a couple lines down for Ultramar card locks Transit will also be executing a PAD for your Ultramar draw in the amount of 11,000 and if you add those three

65.

things up the \$62,989.06, the \$12,000 and the \$11,000 you come up with a total of \$85,989.06 which is that number we just saw in that line to be clear if paid on July ten, 2018 Transit requires the payment in the amount of \$85,989.06?

A. Yes.

298. Q. So those are all - that number is for the payment of post NOI purchases isn't it?

A. Yes.

299. Q. And that is in fact what you're talking about here in this email with Don like you are going back and forth, your email before that Monday, July the ninth on page 22 you're dealing with post NOI purchases in this email string?

A. That's correct.

300. Q. And there's nothing in here where Don has said in this email string that he requires or that Transit requires pre NOI purchases to be paid? Take your time to review.

A. Yeah. In my email dated July ninth at 2:43 where I emailed Don I made reference to there under the second star at the end no arrears payment applications because in a prior

66.

phone conversation I had with Don he told me in very specific terms that the payment would be applied to the oldest balance owing which would signify pre NOI amounts that's why I clarified that.

301. Q. His July tenth email is only dealing with post NOI purchases correct?

A. Yes. Yes I do see that yes.

302. Q. So if you go back to your affidavit paragraph six G where you state you're referring to this email this July tenth email Don's responding email of July ten tab B at page 21 references amounts up to and including July two then you state, Transit/Hogg's ongoing supply of fuel is conditional on the retirement of pre NOI debt, that is incorrect isn't it, it does not say that?

A. In the email it does not but in the phone conversation I had with him prior to that's what was impressed to me.

303. Q. That's not what it says here. You didn't say during a phone call with Mr. Poort on whatever date, whatever time, he said X, you're specifically referring to this email referring to an excerpt from it and then making a

67.

statement relating to that stating it was conditional. You're relying apparently according to this you're relying on this email for that proposition and you have now told me that email does not say that?

A. That's correct.

304. Q. Thank you. There is in this email string from page 19 to 23, so this is the exhibit B to Don Poort's affidavit sworn October fourth, 2018 there is nowhere in this email string where he demands payment of pre NOI amounts owing to Transit is there? Take your time and look through the whole string.

MR. SIMPSON: May we go off the record.

MS. KETTLE: Sure.

OFF THE RECORD - BREAK:

305. MS. KETTLE: Q. So before the break I had asked you to review the email string at exhibit B to Don Poort's affidavit sworn October four and to confirm that there's nothing in there where Don Poort requires or makes any conditions on supply of fuel that is conditional upon payment of pre NOI amounts owing?

A. No I do not see that.

306. Q. Thank you. No I'd like to take you

68.

to paragraph six H of your October 15 affidavit, the supplementary affidavit? This is page three, six H at the bottom of the page. You're referring there to paragraph 18, you said at paragraph 18 Don confirmed at 4:10 p.m. on July 11 that he deactivated the 178 fuel cards, so I'd like you to go to Don Poort's October fourth affidavit and I want you to go up to paragraph 16 actually it's on page three? So as I understand on July the 11th you contacted Monique and indicated that you're trying to put a stop payment on the amount of \$62,693.03 for post NOI purchases is that correct? And I'll just refer you, you could look at the email that Monique sent to Don it's at exhibit C, page 25 to Don Poort's affidavit.

A. Yes.

307. Q. Do you recall calling Monique and indicating that you were trying to reach Don because you needed to put a stop payment on the \$62,693.03?

A. I don't recall. Yes, yes, sorry yes.

308. Q. So you did call Monique?

A. Yes.

69.

309. Q. Okay. And Monique told you that the payment had already gone into the Credit Union correct?

A. I don't recall what she told me in the phone conversation.

310. Q. You don't recall?

A. No.

311. Q. But you then prepared paperwork for the Credit Union to stop the payment correct?

A. Yes.

312. Q. And that was for the July 12th payment?

A. Yes.

313. Q. And that was on July the 11th?

A. Yes.

314. Q. Okay. And you did in fact stop that payment...

A. Yes.

315. Q. ...from going through on July the 12th?

A. Yes.

316. Q. And you'll see in paragraph 18 that Don Poort says that he spoke with you around 4:18 on July 11th regarding the stop payment do you recall that phone call with Mr. Poort?

70.

A. Yes.

317. Q. And then he says, after that call Transit deactivated the 178 fuel cards?

A. Yes.

318. Q. And that's true isn't it?

A. The exact date I do not recall but I know they were closed off before the end of the week.

319. Q. Okay. So going back to your affidavit paragraph six H that was the paragraph you referred to paragraph 18 where you said that Don confirmed at 4:10 p.m. on July 11 he had deactivated 178 fuel cards. You go onto say, these 80 fuel cards were deactivated following my demand for the return of the agreed payment and my refusal to pay a Transit/Hogg's pre NOI debt?

A. That's correct.

320. Q. However the \$62,693.03 going back to Mr. Poort's affidavit paragraph 16?

A. Okay.

321. Q. Those were for post NOI purchases that was not for pre NOI purchases the \$62,693.03?

A. That's correct. It's based on the

71.

phone conversation I had with Don where he said that it would be applied to the oldest balances the pre NOI amounts.

322. Q. Well just a minute - you called Monique and said that you needed to put a stop payment on that 62,000, the \$62,693.03?

A. Yes.

323. Q. For the post NOI purchases?

A. For that amount yes.

324. Q. Okay. And then you called Don and you told him the same thing and he deactivated the cards but it was because you put a stop payment on paying for post NOI purchases, it was right after you put a stop payment on a PAD that you had agreed would go through for the payment of post NOI purchases, you'd already decided you were putting a stop payment on that. The emails I already took you to you confirmed the emails you had with Mr. Poort were for post NOI purchases you could not point to anything in there where he made it a condition that it was for pre NOI purchases correct? There's nothing in there I had you look through, there was nothing in there dealing with pre NOI purchases all post NOI purchases?

72.

A. I'm sorry what's your question?

325. Q. If you go back to Mr. Poort's affidavit paragraph 16 and you confirmed the, you spoke with Monique on Wednesday, July 11th at 3:37 p.m. and you called and said you need to put a stop payment on the \$62,693.03? That's page 25 that was the email that I took you to from Monique...

A. Oh.

MS. KETTLE: ...to Don Poort.

A. Yes.

326. MS. KETTLE: Q. Okay. That was for post NOI purchases, you were putting a stop payment on that?

A. I wanted to have the payment stopped because of what Don said how it was going to be applied to pre NOI amounts to the oldest amounts.

327. Q. That's nowhere in any email is it?

A. It was not exchanged in an email...

MS. KETTLE: No.

A. ...it was a phone conversation.

328. MS. KETTLE: Q. In fact I took you through all of the emails and it's not in there anywhere?

73.

A. There's a number of emails going back and forth where we missed each other in the email chain that you referenced.

329. Q. And this is going back to the email string again it's exhibit B to Don Poort's affidavit this is page 19 and it's the one just before the break that I asked you to review and you confirmed that this all was dealing with post NOI purchases there's nothing in here where you make a demand for the return of the agreed payment, I'll let you look through it again...

A. Because he had already told me no.

330. Q. Is there...

A. He had told me no in a conversation.

331. Q. In a phone conversation...

A. Yes.

332. Q. ...but is there any demand made in an email here because you're emailing him?

A. Yes.

333. Q. Where is the demand here?

A. If you look at the email chain there's a number of I'm here, sorry I just missed your call, left a voice mail, we were playing phone tag over the course of this. When I got him on the phone we did have a frank

74.

discussion about this he told me very specifically that whatever amounts we were paying them it would be applied to the oldest balances that's why I was trying to be as transparent and as forthcoming as I could in my emails specifying how much we were gonna be paying for and the specific dates that it was covering and the amounts that I was fine with.

334. Q. And that's what it sets out. It doesn't say anywhere in here that it's being applied to post or to pre NOI?

A. He said that in a phone conversation.

335. Q. There's nothing in here requesting return of the agreed payment in this email is there?

A. He had already told me no in the phone conversation.

336. Q. So is that no?

A. I'm sorry.

337. Q. You agree then it's not in the email string?

A. It's not in the email string.

338. Q. Thank you. And correct me if I'm wrong but I don't believe anywhere in your three

75.

affidavits or sorry, anywhere in the materials except until your second affidavit that you make any statement about there being no agreement regarding the agreed payment? I believe it was your second affidavit sworn October 15, 2018.

MR. SIMPSON: Can I ask you to repeat that question please?

339. MS. KETTLE: Q. Yes. So we're looking at your October 15th, 2018 supplementary affidavit...

MR. SIMPSON: Yes.

340. MS. KETTLE: Q. ...paragraph three...

MR. SIMPSON: Yes.

341. MS. KETTLE: Q. ...at the bottom, this payment never was agreed to by 178 as set out below but for ease of reference I shall continue to use that defined term. I have not seen anything in any of the evidence you have provided where you have ever made that statement before this affidavit now correct me if I'm wrong about that?

MR. SIMPSON: Wasn't it raised for the first time in your responding material the agreed payment. Where did Transit first raise it?

76.

MS. KETTLE: Transit's always said that it was agreed upon it's right in the email from Monique this was agreed upon. There was nothing after that June 28th email from Monique to Nathan where Nathan said that was not agreed upon. After she, well and you're going to look through emails so that's fine you'll look through the emails but we don't yet have an email where Nathan responds to Monique's June 28th email saying we have no agreement, don't put the PAD through. Once she told Nathan it had gone through by email he didn't say you shouldn't have done that there's no email saying he shouldn't have done that we didn't have an agreement. There's no emails saying I want back.

MS. KETTLE: Thank you. I don't know if we need to have this discussion on the record I'm quite happy to have it with you off the record. I'm just I'm not - your position is that there was an agreement as of June 28th, our's is that there was not, now you're saying to Mr.

77.

McDaniel why didn't you address the agreement in the first motion material and we're saying you didn't define their term as an agreement until your responding material

342. MS. KETTLE: Q. Okay. That's your position?

MR. SIMPSON: Yes.

343. MS. KETTLE: Q. So Transit continued to supply fuel to 178 in July until July 11th correct?

A. Yes.

344. Q. So I'd like to turn you to your affidavit it's the October 15th supplementary affidavit?

MR. SIMPSON: I'm sorry I was distracted there we're going to...

345. MS. KETTLE: Q. Okay that's fine. The supplementary affidavit...

MR. SIMPSON: Yes we have it.

346. MS. KETTLE: Q. ...Nathan's October 15th?

MR. SIMPSON: Yes.

347. MS. KETTLE: Q. Paragraph six, subparagraph C and then subparagraph little

78.

three i's?

MR. SIMPSON: Okay.

348. MS. KETTLE: Q. So you state, 178 did not require Transit/Hogg to keep afloat as we have continued in business since July without their supply of fuel?

A. That's correct.

349. Q. But you did - they did supply fuel to you in July until the 11th when you put the stop payment on and they deactivated the cards?

A. I'm not certain on that. I recall we made the payment of \$12,000 per day and that would've covered the third, the fourth and the fifth. I, I don't know that we got fuel from Transit until the 11th I believe it was...

350. Q. Okay, until what date?

A. I'd have to look at the invoices offhand I don't recall.

351. Q. Okay. Do you want to just undertake to let me know to what date Transit supplied fuel to 178?

MR. SIMPSON: Is that something you'd be able to look into?

A. Absolutely.

MR. SIMPSON: Yes we'll give that

79.

undertaking.

MS. KETTLE: Thank you.

MR. SIMPSON: That's undertaking...

COURT REPORTER: Seven.

MR. SIMPSON: Seven.

352. MS. KETTLE: Q. And then after Transit stopped supplying fuel to 178 you had supplies of fuel from Petro Canada is that correct?

A. Yes.

353. Q. And I'd like you to undertake to advise me when the arrangements for the supply of fuel from Petro Canada were made?

A. Yes sure.

MR. SIMPSON: Can you...

A. I can do that.

MR. SIMPSON: Undertaking eight, when...

354. MS. KETTLE: Q. When you started contacting, so...

MR. SIMPSON: Arrangements...

355. MS. KETTLE: Q. ...specifically when did you first contact Petro Canada?

MR. SIMPSON: Okay one is first contact Petro Canada yes.

356. MS. KETTLE: Q. And when did you enter into an agreement with Petro Canada to supply,

80.

for Petro Canada to supply fuel to 178?

MR. SIMPSON: Right. Okay we have that undertaking I believe. I've taken that as one undertaking for both issues.

357. MS. KETTLE: Q. Okay, thank you. So I think I asked you this question so I apologize if I did but it was - so we've talked about the stop payment that was put on July 11th and you put that on in the afternoon of July 11th and were successful in immediately having the payment stopped for the payment the next day on the 12th correct?

A. Yes.

MS. KETTLE: Can we just take a break?

MR. SIMPSON: Of course.

MS. KETTLE: Thank you.

OFF THE RECORD - BREAK:

358. MS. KETTLE: Q. Going back to your evidence that you state that you asked Monique to put a stop payment on the agreed payment and although we know that Monique's evidence is contrary to that so that's disputed but let's just for the moment I'm going to ask you the question what do you say that Monique said about why it was not possible to stop the PAD?

81.

A. I believe it was too late in her words.

359. Q. Too late?

A. Yes.

360. Q. Is that all she said?

A. I believe so.

361. Q. So you say she allegedly told you it was too late to stop the PAD?

A. And that they wouldn't do it.

362. Q. And that who wouldn't do it?

A. Her or Transit, the, the company as a whole.

363. Q. But once it's submitted it can't be stopped correct?

A. I know that now at the time I didn't.

364. Q. And then your evidence was that you could've contacted the Credit Union and asked them to stop it on July third or July fourth but you did not?

MR. SIMPSON: That's correct.

365. MS. KETTLE: Q. And so based on your evidence that you asked Monique to put a stop payment on why then did you go and ask Trevor to do the same thing?

82.

A. My understanding was that Trevor was her manager.

366. Q. Monique was your contact and worked in the credit department correct?

A. Yes.

367. Q. And you did not have any contact with Trevor he was, he's a division manager you did not deal with him correct?

A. My understanding was that he was manager of the facility. I, I wasn't aware of how Transit's company structure was at that time.

368. Q. And you have no phone notes or any other evidence of that phone call that you allegedly had with Trevor Chambers regarding the stop payment?

A. That's correct.

369. Q. Okay. So I wanted to ask you about your communications with people internal to 178 regarding the stop on the agreed payment PAD would you have emails to Louise, Blaine and others regarding the stop payment?

A. No. I believe the one that was referenced was the only one at the time.

370. Q. So you have no other emails with

83.

them regarding anyone saying you should put a stop payment on that was just you, was that you doing that on your own or did someone ask you to do that? Let me put it that way, did someone ask you to put the stop on the agreed payment?

A. Which one are you referring to?

MS. KETTLE: The agreed payment is the one at issue the first one.

A. It was based on the guidance from MNP that we should not be paying any amounts from pre NOI goods and services we have transferred.

371. MS. KETTLE: Q. Now you mentioned something about that on July ninth that it was because of MNP making a request are you saying there was an earlier request from MNP?

A. No. Once, once we met with them and the NOI was filed then at that point they, they provided guidance in terms of how the payables was to be treated going forward.

372. Q. And when did you meet with MNP following the NOI?

A. It was the week of the filing the week of July second I, I don't recall the exact date, sorry.

84.

373. Q. And do you have any email correspondence with MNP about putting a stop payment on the agreed payment?
- A. I don't recall.
374. Q. Can you undertake to look for that correspondence?
- MR. SIMPSON: That's undertaking number nine.
375. MS. KETTLE: Q. And did you have any emails or I think you said you have no internal emails regarding the stop payment?
- A. That's correct.
376. Q. So nothing with Louise, Blaine or anyone else internally?
- A. I don't believe that's the case.
377. Q. So there would be no emails saying I spoke with, other than the one that we already know of...
- A. Yeah.
378. Q. ...that you produced there are no others re: I spoke with so and so about the stop payment?
- A. To my knowledge no.
379. Q. Okay. And I'm going to ask a similar question as it relates to the demand you

85.

claimed to have made for return of the agreed payment, do you have any internal emails where you're talking about the return of the agreed payment?

A. I don't recall so no.

380. Q. Can you undertake to look for internal emails please regarding the stop on the PAD and a demand for the return of the agreed payment?

MR. SIMPSON: Undertaking ten, any internal emails with respect to the stop of the PAD and undertaking 11 is could you repeat that?

381. MS. KETTLE: Q. Any internal emails for or relating to the demand for the return of the agreed payment?

MR. SIMPSON: Okay I've got that thank you. Yes we'll provide those.

382. MS. KETTLE: Q. And I asked you to provide by way of undertaking any correspondence, emails, whatever you have from MNP regarding the stop on the PAD similarly I'd like an undertaking regarding any communications with MNP regarding a demand for the return of the agreed payment?

86.

MR. SIMPSON: Can we put that...

MS. KETTLE: You can put that with the other one yes.

MR. SIMPSON: We've given - yes with number nine.

MS. KETTLE: That's fine.

MR. SIMPSON: Email correspondence with MNP including stopping of the PAD or demand for return.

MS. KETTLE: Thank you. Those are my questions subject to any followup questions arising from the answers to your undertakings. Thank you very much.

A. You're welcome.

MR. SIMPSON: Thank you Ms. Kettle.

THIS IS TO CERTIFY that the foregoing is a true and accurate transcription of the record made by sound recording apparatus, of the examination made before me, to the best of my skill and ability.

.....
Kelly Lockley, C.C.R.

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IN THE MATTER OF NOTICES OF INTENTION TO MAKE A PROPOSAL OF
1732427 ONTARIO INC. AND 1787930 ONTARIO INC. BOTH OF THE CITY OF ST.
THOMAS, IN THE PROVINCE OF ONTARIO

Court of Appeal File No.: C66871
Court File Nos. 35-2395487 and 35-2395481

COURT OF APPEAL FOR ONTARIO

Proceeding commenced at LONDON

VOLUME 1 OF 2

**EXHIBIT BOOK OF THE APPELLANT
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