

COURT FILE NUMBER 2101-02280

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT ROYAL BANK OF CANADA

RESPONDENT PEOPLE EXPRESS TRANSPORT LTD.

AND IN THE MATTER OF THE RECEIVERSHIP OF PEOPLE
EXPRESS TRANSPORT LTD.

DOCUMENT **SECOND REPORT OF THE RECEIVER**

JUNE 28, 2021

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

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INTRODUCTION

1. Effective April 22, 2021 (the “**Receivership Date**”), pursuant to a consent receivership order granted by the Court of Queen’s Bench of Alberta (the “**Court**”) in Action No. 2101-02280 (the “**Consent Receivership Order**”), Alvarez & Marsal Canada Inc. was appointed the receiver and manager (the “**Receiver**”), without security, of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the “**Property**”) of People Express Transport Ltd. (“**People Express**” or the “**Company**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended and section 13(2) of the *Judicature Act*, RSA 2000, c J-2, in the within action (the “**Receivership Proceedings**”).
2. The Consent Receivership Order empowers and authorizes, but does not obligate, the Receiver to, among other things, take possession and control of the Property and of any and all proceeds, receipts and disbursements arising out of or from the Property, and to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business subject to Court approval, as necessary.
3. On May 25, 2021, this Honourable Court granted an order, *inter alia*:
 - a) approving the sale of certain trailers of the Company to Ocean Trailer (as defined below);
 - b) amending paragraph 17 of the Consent Receivership Order by adding the words, “in the Receiver’s possession or control at the time a claim is made”, at the conclusion of the first sentence thereof;
 - c) increasing the security for the professional fees and disbursements of the Receiver, and counsel to the Receiver, as set forth in paragraph 18 of the Consent Receivership Order and defined therein as the “Receiver’s Charge” from the aggregate amount of \$250,000 to \$500,000;

- d) compelling the release of the trailers held by RPM Trailer Repair Services Ltd. to the Receiver; and
 - e) approving the undertaken and proposed actions, activities and conduct of the Receiver from April 22, 2021 to and including May 7, 2021, and those described in the first report of the Receiver dated May 17, 2021 (the “**First Report**”). Further, the Court granted an Order approving the fees and disbursements of the Receiver and its legal counsel, Torys LLP “**Receiver’s Counsel**”), as reported in the First Report.
4. The purpose of this second report of the Receiver (the “**Report**” or the “**Second Report**”) is to provide this Honourable Court with information in respect of the following matters:
- a) the activities of the Receiver since the First Report;
 - b) an operational update of the Company since the First Report;
 - c) the Receiver’s application for an order approving a proposed sales process (“**Sales Process**”);
 - d) the Receiver’s application for an order sealing the First Confidential Supplemental Report, to be filed (“**First Confidential Supplement**”);
 - e) the Receiver’s request for an order compelling the release of certain of the Company’s assets currently held by JDV Trucking Ltd. (“**JDV**”);
 - f) actual cash flow results for the period from May 15, 2021 to June 25, 2021 (the “**Reporting Period**”);
 - g) approval of the Receiver’s undertaken and proposed go-forward actions, activities and conduct, and approval of the Receiver’s fees and disbursements and those of the Receiver’s Counsel; and
 - h) the Receiver’s conclusions and recommendations.

5. Unless otherwise set forth herein, capitalized words or terms not defined or ascribed a meaning in this Report are as defined or ascribed the meaning set out in the Consent Receivership Order or the First Report.
6. All references to dollars are in Canadian currency unless otherwise noted.

TERMS OF REFERENCE

7. In preparing this Report, the Receiver has relied primarily upon information obtained through the representations of certain shareholders, management and former employees of People Express. In addition, where applicable, the Receiver has relied on the Company's books and records, which were produced and maintained principally by the Company.
8. While the Receiver has reviewed certain financial information in respect of the Company for reasonableness, the Receiver has not performed an audit, review or otherwise attempted to verify the accuracy or completeness of the Company's financial information that would wholly or partially comply with Canadian Auditing Standards ("CASs") pursuant to the Chartered Professional Accountants Canada Handbook, and accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CASs in respect of financial information.

BACKGROUND AND OVERVIEW

9. People Express is a corporation incorporated pursuant to the laws of the Province of Alberta with a registered office in Calgary, Alberta.
10. People Express operated a business specializing in the transport of temperature sensitive products throughout North America. The primary assets of People Express consisted of approximately 280 motor vehicles and trailers. A number of these motor vehicles and trailers are subject to leasing and financing agreements with various third-parties.
11. As at the Receivership Date, the Company employed 131 employees and contractors, of which approximately 34 employees were foreign workers on closed

and open permits. All employees and contractors were terminated as at the Receivership Date, with a select group of former employees being subsequently retained by the Receiver as independent contractors, as discussed further below.

12. As indicated in a Government of Alberta Corporate Registration Corporation/Non-Profit Search dated June 11, 2021, Mr. Gurpreet Brar, Mr. Gurbaj Sandhu and Mr. Charanpreet Brar are the directors and shareholders of People Express and each hold 33.3% of the voting shares in People Express. Mr. G. Brar, Mr. Sandhu and Mr. C. Brar have also personally guaranteed a portion of the indebtedness owing by People Express to Royal Bank of Canada (“RBC”).
13. Based on the Receiver’s review of the Company’s books and records, People Express owed RBC over \$10.7 million as at the Receivership Date.
14. Further background information regarding the Company and its financial circumstances is contained in the materials filed in support of and relating to the Consent Receivership Order. These documents and other relevant information have been posted by the Receiver on its website, including the Consent Receivership Order and various application materials at: www.alvarezandmarsal.com/petl

ACTIVITIES OF THE RECEIVER

15. Since the First Report, the Receiver’s activities with respect to the Company have included, but are not limited to, the following:
 - a) continuing to secure and safeguard the Property;
 - b) engaging the services of third-party transportation companies to assist the Receiver in transporting the Company’s trucks and trailers to an alternate secure storage facility to ensure their safekeeping and security and to prevent any further intermeddling with the Property;

- c) arranging for the delivery of various trucks and trailers located in the United States and arranging for their delivery over the US/Canada border and ultimately into the Receiver's physical possession;
- d) continuing to attend to various correspondence and discussions with respect to numerous questions and/or concerns of former employees regarding the impact of the Receivership Proceedings on their employment, the role of the Receiver as an officer of the Court, notifying them of their termination due to the Receivership Proceedings, coordinating and discussing the former employees' eligibility under the Wage Earner Protection Program ("WEPP");
- e) attending various conference calls with RBC and its legal counsel concerning various matters of the Receivership Proceedings and providing RBC with updates on the Company's financial position;
- f) updating the books and records of the Company, including an ongoing review of accounts receivables and accounts payables with the assistance from a contractor who was a former employee of the Company;
- g) notifying customers of the Company about the Receivership Proceedings and requesting that any and all outstanding accounts are to be paid to the Receiver directly;
- h) ongoing communication with various lessors with interests registered with the Alberta Personal Property Registry and the British Columbia Personal Property Registry to understand their position with respect to the Receivership Proceedings, and the release of their respective assets back to them;
- i) communication and negotiating with various counterparties with garage keepers' liens registered with the Alberta Personal Property

Registry and the British Columbia Personal Property Registry to understand their position with respect to the Receivership Proceedings;

- j) discussing with certain parties regarding their interest in acquiring all or a portion of the Property of People Express;
- k) determining an appropriate sales format for purposes of realizing on the Property of People Express and formally requesting proposals from nine auction companies to act as the Receiver's sales advisor (auctioneer), which is discussed further within this Report;
- l) executing the Receiver's Certificate related to closing the sale of certain trailer units to C. Keay Investments Ltd. ("**Ocean Trailer**") on June 15, 2021, which was approved by this Honourable Court on May 25, 2021 and is further described in the First Report;
- m) closing the sale of certain trailer units to People Driving Academy Inc. ("**People Driving**") on June 24, 2021;
- n) engaging and providing instructions to the Receiver's Counsel on various legal matters in respect of the Receivership Proceedings;
- o) communicating with the Government of Alberta regarding the International Fuel Tax Agreement ("**IFTA**") as the Receiver held the position, as laid out in **Appendix "A"**, that any claims with respect to IFTA will not have any statutory priority unless the Government of Alberta can prove to the Receiver that such priority exists. A response from the Government of Alberta confirming no statutory priority exists and that their claim will be unsecured is also attached within **Appendix "A"**;
- p) communication with International Bond & Marine Brokerage, Ltd. as well as the U.S. Customs and Border Protection agency regarding fines that were issued to the Company as a result of infractions alleged at the

U.S. / Canada border. The Receiver is of the view, in consultation with the Receiver's Counsel, that these claims against the receivership estate are unsecured in nature unless these creditors are able to provide support that their claims have a statutory priority. A letter was sent from the Receiver's counsel to the noted parties on May 28, 2021, a copy of which is attached as **Appendix "B"**. The Receiver requested a response from these parties by June 30, 2021, and at the date of this Report, Scott Vrooman (Bankruptcy Team, Office of Finance – Revenue Division, U.S. Customs and Border Protection), in response to the Receiver's Counsel's letter, agreed with the Receiver's initial assessment that the U.S. Customs and Border Protection's claim is unsecured; however, no formal response has been received from International Bond & Marine Brokerage, Ltd. with respect to this matter. The Receiver advised these creditors that if no response is received by June 30, 2021, then the Receiver will deem that these claims are unsecured against the People Express receivership estate;

- q) engaging and providing instructions to the Receiver's special purpose independent legal counsel, Mathews, Dinsdale & Clark LLP, which is a law firm that specializes in employment and immigration law;
- r) delivering numerous demands for the return of Company assets from various individuals and companies, including negotiating and settling its disputes with RPM Trailer Repair Services Ltd;
- s) various calls with the Canada Revenue Agency ("**CRA**") respecting the Receivership Proceedings, the Receiver's duties and the coordination of an audit of the Company's books and records with respect to source deduction and GST accounts;
- t) undertaking the day to day management of the Company regarding the recovery of People Express' Property, providing direction to

contractors, and ensuring timely payment of trade creditors for services requested, rendered and approved by the Receiver;

- u) collecting \$42,500 funds held in trust from the Company's former legal counsel (now counsel to the directors and guarantors) for the sale of certain RBC financed assets prior to the Receivership Date that were consented to by RBC and are held in a separate bank account by the Receiver, which is subject to the Receiver's Charge. The Receiver is currently determining whether other priority claims may attach to these particular funds and will advise the Court in future reporting;
- v) communication with People Express' directors and their independent legal counsel respecting concerns of conduct by the directors regarding, *inter alia*, cash collections and assets of People Express – correspondence between the Receiver's counsel, as well as the Receiver's position regarding same, will be noted in and attached, as applicable, to the Second Confidential Supplemental Report; and
- w) attending numerous and on-going meetings and discussions with various creditors (or their representatives), the Receiver's Counsel, interested parties and other stakeholders regarding the Receivership Proceedings.

OPERATIONAL UPDATE

Employees and Contractors

16. As at the Receivership Date, People Express had a total of 131 staff and management, including 87 employees and 44 contractors. As previously reported, forthwith after the Consent Receivership Order was granted, the Receiver decided shut-down the Company's operations and not to allow new cargo services to be delivered to customer locations, other than completing cargo shipments that were currently in transit throughout North America. On May 7, 2021, the Receiver completed the Company's final cargo delivery.

17. The Receiver retained select former employees of the Company and hired them as independent contractors to assist the Receiver in winding down the Company's operations and arranging to recover its assets located throughout North America. In total, the Receiver engaged six former employees on a temporary basis as independent contractors since the Receivership Date and terminated these agreements throughout May and June 2021. Currently, the Receiver continues to engage as an independent contractor only two of the former employees to assist with accounting and administrative matters.

Payroll Records

18. As previously communicated in its First Report, the Company's books and records are not complete and/or otherwise deficient. The Company's payroll accountant is currently residing in India and it has been challenging for the Receiver to gather information from the accountant in a timely manner. The Receiver continues to update the employee payroll records, T4 statements and record of employment with deficient/incomplete and timely information. Information regarding the employees' eligibility on the WEPP and records of employment have been provided to the former employees and the Receiver is assisting the former employees who are eligible for the WEPP program with submission of their claims to Service Canada.
19. The Receiver anticipates issuing the 2021 T4 forms to all former employees in July 2021.

Canada Revenue Agency (Potential Priority Payables)

20. The Receiver understands that there are no amounts owing with respect to source deductions per its communication with the Company's former management; however, this review continues to be done by the Receiver. Since the First Report, the Receiver submitted a request to the CRA to gain access to the CRA business accounts and to close the "pre-receivership" GST account effective April 22, 2021 and open a new "post-receivership" account for post-filing GST obligations. This request has now been processed by CRA.

21. The Receiver has now been in communication with the CRA and is coordinating a time for the CRA to conduct its statutory payroll and GST audit of the Company.

Accounts Receivable

22. The Receiver has been in contact with a number of the Company's customers identified in the accounts receivable listing generated from the Company's internal software program. After preliminary discussions with some of these customers, the Receiver has noted that much of the outstanding accounts listed have either been paid prior to the receivership date and/or are not consistent with what the customer's database shows.
23. Further review and investigation is required and the Receiver will report to the Court with its findings in its subsequent reports.

Factor Direct

24. On May 18, 2021, the Receiver and the Receiver's Counsel had discussions with legal counsel for a factoring company, Factor Direct Corp. ("**Factor Direct**") which had dealings with People Express. After communication with Factor Direct's legal counsel, the Receiver was informed that People Express should have held certain funds in trust relating to dealings that the Company had with Factor Direct to which Factor Direct is entitled to.
25. As the Receiver understands it, People Express was a transportation broker, and as such, the Company facilitated transports for shippers and consignees. Those shippers and consignees pay funds to the broker who is supposed to hold those funds in trust for remittance to the end carrier who is the party that actually transports the load.
26. According to Factor Direct's legal counsel, in Ontario, section 191.0.1 of the *Highway Traffic Act* creates a statutory trust obligation for transportation brokers. The same law is not in place in Alberta, but there may be a constructive trust obligation. This means that the directors of the corporation hold a personal trust

liability for this debt. In addition, Factor Direct's legal counsel noted that, as set out section 2 of the *Federal Bills of Lading Act*, Factor Direct is entitled to seek payment of outstanding invoices from all parties to the bill of lading including the shipper and consignee. Even if the shipper/consignee has already paid the bill, the debt has not been discharged and they may be obligated to pay the debt again.

27. Based on the information and documentation in the Receiver's possession, this claim is currently considered to be unsecured within the Receivership Proceedings; however, the nature of this debt as a transportation bill of lading creates a number of additional liabilities beyond just the corporate debtor according to Factor Direct's legal counsel. Legal counsel for Factor Direct has notified the Receiver's Counsel that it will be making demands against the directors of People Express in their personal capacity as well as the shipper and consignee on the load, and, as of now, they are not pursuing a trust claim against the receivership estate.

Garage Keepers' Liens

28. The Receiver's Counsel identified various garage keepers' lienholders who registered garage keepers' liens against one or more of People Express' Property. This includes Property owned by People Express as well as the leased or financed Property.
29. The Receiver's Counsel has written to all identified garage keepers' lienholders that have registered garage keepers' liens against one or more of People Express' Property which was leased or financed, to notify of the Receiver's intent to release its interest in certain Property back to those lessors with valid and enforceable security and no equity value realizable for the benefit of the receivership estate, and has also requested the necessary documentation / confirmations / information from certain of these claimants to determine the validity of their liens.
30. The Receiver understands that there are nine assets currently being held by third parties that are subject to various liens. These nine assets are RBC financed (discussed below), and the Receiver, with the assistance of the Receiver's Counsel,

continues to evaluate the validity of these liens and their value in relation to the value of the assets. The Receiver has requested but has not received any information from New Millennium Tires Sales & Truck Repairs Ltd. or Ward Tires Inc., and continues to wait to for certain information from R. James Management Group Alberta Ltd. and South City Truck Centre Ltd., in order to complete its analysis.

UPDATED ASSET LISTING

Overview

31. The Company entered into various leasing and/or financing agreements with third-parties, including RBC, respecting trucks, trailers and vehicles financed for certain of the directors for their personal and/or business use. The assets are fully discussed in the Receiver's First Report and also summarized further below in this Report.
32. As outlined in the First Report, the Receiver's Counsel undertook a review of the RBC security, related security and loan documentation and has determined that, subject to the comments and qualifications set forth in the subject Security Review Memorandum, each loan document noted therein constitutes a legal, and binding obligation of People Express enforceable against People Express in accordance with its terms, in favour of RBC, and that the subject security documents create a valid security interest in favour of RBC in the personal property described therein in which People Express presently has rights and are sufficient to create a valid security interest in favour of RBC in any such personal property. In addition, the Receiver is not aware of any other claimant that may have priority over RBC's security, other than potential "super priority" claims with respect to CRA and the Receiver's Charge as set out in the Consent Receivership Order.
33. The Receiver's Counsel also completed a security review on each of the financing agreements relating to the other third party financed and leased assets (the "**Non-RBC Leased Assets**"). Based on its review (with the exception of the leased assets with Scotiabank and TD, as discussed further below), the Receiver determined that

each financing agreement entered into by the Company with the companies listed in the below chart relating to the Non-RBC Leased Assets constituted a legal, and binding obligation of People Express enforceable against People Express in accordance with its terms, in favour of the lessor, and that the security documents created a valid security interest in favour of the lessor in the personal property described therein and were sufficient to create a valid security interest in favour of the lessor in any such personal property.

34. The Receiver has still not received any communication from Scotiabank and TD Auto Finance (Canada) Inc. relating to the personal vehicles, and has been unable to validate the validity and enforceability of these agreements.
35. The below chart provides an updated summary of the various assets leased and or financed by the Company and the current status of these assets since the Receivership Date:

Summary of Trucks and Trailers								
	Trucks	Trailers	Personal Vehicles	Total	Sold	Released / To be Released	Not in Receiver's Possession	In Receiver's Possession
RBC Leased Assets	26	118	-	144	(24)	-	(12)	108
Non-RBC Leased Assets								
<u>Trucks/Trailers</u>								
- Daimler Truck Financial	25	-	-	25	-	(25)	-	-
- VFS Canada Inc.	9	-	-	9	-	(9)	-	-
- Wells Fargo Equipment Finance Company	4	-	-	4	-	(4)	-	-
- Calmont Leasing Ltd.	4	-	-	4	-	(4)	-	-
- Essex Lease Financial Corporation		23	-	23	-	(23)	-	-
- Hitachi Capital Canada Corp.		19	-	19	-	(19)	-	-
<u>Recreational/Personal</u>								
- The Bank of Nova Scotia	-	-	2	2	-	-	(2)	-
- WS Leasing Ltd.	-	-	1	1	-	(1)	-	-
- TD Auto Finance (Canada) Inc.	-	-	1	1	-	-	(1)	-
	42	42	4	88	-	(85)	(3)	-
Unencumbered Assets	-	14	-	14	-	-	(3)	11
	68	174	4	246	(24)	(85)	(18)	119

RBC Financed Assets

36. As at the Receivership Date, the Receiver identified 144 units that were financed by the Company consisting of both trucks (26) and trailers (118), of which the Receiver sold 24 trailers since the Receivership Date, resulting in 120 units

remaining. Of the 24 trailers sold, 22 of them were sold to Ocean Trailer, through the Ocean Trailer APA (as defined in the First Report) that was previously approved by this Honourable Court and a recent sale to People Driving for two dry van trailers for \$10,000. The recent trailer sale did not require Court approval as provided in paragraph 3(l)(i) of the Consent Receivership Order and were sold to People Driving. The recent trailer sale to People Driving was supported by RBC.

37. The breakdown of the remaining RBC leased assets, as well as the unencumbered assets are as follows:

Location of Leased and Unencumbered Assets			
	Trucks	Trailers	Total
In Receiver's Possession			
RBC Leased	18	90	108
Unencumbered	-	11	11
	18	101	119
Not in Receiver's Possession			
In Possession of Garage Keepers	8	1	9
RBC Leased - unknown whereabouts	-	3	3
Unencumbered - unknown whereabouts	-	3	3
	8	7	15
Total	26	108	134

38. The Receiver is currently in possession of 119 trucks and trailers at its secured property. As previously reported, the Receiver has identified nine units that are currently located at certain garage keepers' premises and are in dispute of being released by the garage keeper due to allegedly outstanding invoices for repairs conducted on these units. The Receiver has sent multiple letters to the respective garage keepers to release these assets and evaluating these alleged outstanding invoices. The nine units under question/dispute are currently not scheduled to be included in the Sales Process; however, as they become available, the Receiver will consider the most appropriate means to realize on these assets, which may involve having them included in the Sales Process should these units become released and are available.

39. The Receiver also understands that there are three trailers that are leased from RBC; however, the Receiver has yet to locate the whereabouts of these units. Additionally, there are three unencumbered trailers that have been identified as owned by the Company based on information it has received from the Company's directors and books and records, but the locations are still unknown.

Non-RBC Leased Assets

40. The Company has financed and/or leased 88 trucks, trailers and personal vehicles. The Receiver and the Receiver's Counsel arranged to recover, preserve and protect these assets in the Receivership Proceedings as part of its initial taking possession duties as outlined in greater detail in the First Report. The Receiver has released or is in the process of releasing all of the Non-RBC Leased Assets back to the financing companies and is currently making arrangements with these secured lenders to collect on their units currently held by the Receiver in the coming weeks (for those that have not already collected upon their assets).
41. There are four personal and recreational vehicles that the Receiver has identified as vehicles leased by the Company for the use of the Company's directors. As outlined in the First Report, the Receiver was never in possession of these particular vehicles and the Receiver understands that the directors continue to remain in possession of these vehicles. The Receiver has been in contact with each of the leasing companies for these personal vehicles and has advised them that there is no equity in them, and accordingly, the Receiver is releasing its interest in these vehicles. As discussed above, the Receiver has not received any communication back from Scotiabank nor TD Auto Finance (Canada) Inc. on their leased vehicles.
42. As at the date of this Report, the Receiver has been informed by Mr. C. Brar that the Maserati, as noted in the First Report, has been delivered to Regal Auctions as requested by the lessor.

Residential Property

43. On or about May 28, 2021, the Receiver received a Property Tax Statement of Account from The City of Calgary in connection with lands legally described as Plan 9211841 Block 6 Lot 9 (the “**Lands**”), which, based on employment records of the Company, the Receiver believes is the home in which Mr. C. Brar resides.
44. To be prudent, the Receiver obtained a Land Title Certificate for the Lands. Based upon a review of the Land Title Certificate, which is attached hereto as **Appendix “C”**, the Receiver discovered that the lands are legally owned by People Express, and a mortgage against the Lands was registered by Canadian Imperial Bank of Commerce (“**CIBC**”) on May 16, 2016.
45. The Receiver contacted CIBC to: (a) inform them that People Express is subject to receivership proceedings; (b) obtain further information regarding the Lands and CIBC’s mortgage; and (c) commence a dialogue regarding potential next steps. The Receiver continues to be in contact with CIBC in connection with this matter.
46. The Receiver also submitted an application on June 1, 2021 to register the Consent Receivership Order against the Lands, which registration is pending based upon a review of the June 23, 2021 Land Title Certificate that the Receiver obtained from the Land Titles Office.
47. The Receiver, through the Receiver’s Counsel, has also contacted Mr. C. Brar’s legal counsel requesting, in compliance with the Consent Receivership Order, further information/details of the parties residing on the Lands and further documentation and details in connection with the Lands. The Receiver has also requested that the directors of People Express do not do anything unbecoming in connection with the Lands or which interferes with the Receivership Proceedings while the Receiver determines the appropriate path forward with respect to the Lands.

SALES PROCESS

Invitation For Offer Process

48. Pursuant to section 3(k) of the Consent Receivership Order, the Receiver is empowered and authorized to market the Property, including advertising and soliciting offers in respect of the Property or any parts thereof, and negotiating such terms and conditions for the sale as the Receiver in its discretion may deem appropriate.
49. Given the uncertainty as to potential recoveries to priority and secured creditors in the Receivership Proceedings, the Receiver determined that it was appropriate to seek proposals (“**Invitation for Offers**”) from interested auctioning companies for the marketing and auctioning of the Property in an attempt to maximize realizations for all creditors and stakeholders in the estate.
50. On June 9, 2021, the Receiver sent an information package (the “**Information Package**”) to nine reputable auctioning companies (the “**Interested Parties**”) which included a listing of all the Property that would be included in the sales process (the “**Auction Assets**”), which were the available RBC financed assets held by the Receiver, and a standard “offer form” for the Interested Parties to submit their offer (the “**Proposal Offer**”). The Information Package is attached hereto as **Appendix “D”** to this Report. The main terms and conditions of the Information Package are summarized below:
 - a) description of the process, including the viewing of the Auction Assets, the format for proposals and a bid deadline of June 23, 2021 to submit the Proposal Offers to the Receiver (“**Initial Proposal Deadline**”);
 - b) listing and description of the Auction Assets;
 - c) general terms and conditions including receipt of a 10% deposit, a Court approval condition, and that the Auction Assets would be provided on an “as is, where is” and “without recourse” basis with no representations or

warranties expressed or implied as to title, condition or fitness for use by the Receiver; and

- d) if a Proposal Offer is accepted, the party submitting that Proposal Offer would enter into a definitive agreement with the Receiver that is subject to Court approval.

Proposals Received to Date

- 51. In total, the Receiver received eight Proposal Offers from the Interested Parties for the Auction Assets by the Initial Proposal Deadline.
- 52. The Proposal Offers included proposals for the outright purchase of the Auction Assets, net minimum guarantee (“**NMG**”) proposals and straight commission proposals.
- 53. Seven of the eight Proposal Offer’s included a NMG offer that was further considered, as discussed below.

Offer Accepted Subject to Court Approval and Summary of Offers Received

- 54. A summary and analysis of the seven Proposal Offers with NMGs received under the Invitation for Offers is marked as **Appendix “A”** to the First Confidential Supplemental Report to the Second Report (the “**First Confidential Supplemental Report**”).
- 55. Upon receipt and review of the proposals, the Receiver went back to those Interested Parties that submitted a Proposal Offer on a NMG basis and provided them with an opportunity to reconsider their offer and terms presented (i.e. sharpen their pencil), and set a time delivery such an updated proposal by end of day on June 25, 2021. After further review, analysis and clarification of certain terms of offers and related matters, the Receiver, with the concurrence of RBC, accepted, subject to the Court’s approval, the NMG Proposal Offer of Century Services Corp. (the “**Century Offer**”).

56. A summary of the terms and conditions of the Century Offer is included in the First Confidential Supplemental Report. An un-redacted Century Offer is marked as **Appendix “B”** to the First Confidential Supplemental Report.
57. The Receiver is currently finalizing the auction agreement with Century Services Corp. (the “**Auction Agreement**”) and anticipates filing a Second Confidential Supplemental Report to the Second Report prior to June 30, 2021 with this Honourable Court. The Receiver does not anticipate material changes to the terms and conditions as laid out in the Century Offer, as discussed in the First Confidential Supplement.
58. Due to the confidential nature of the information provided in the Century Offer and the Proposal Summary, the Receiver is concerned that, if the information is disclosed to third-parties prior to the completion of the auction in respect of the Auction Assets, the disclosure could materially jeopardize the realizations during the auction, or if the Century Offer does not close could materially jeopardize subsequent efforts to re-market the Auction Assets. As such, the Receiver is respectfully of the view that it is appropriate for this Honourable Court to seal the First Confidential Supplemental Report and Second Confidential Supplemental Report in accordance with the proposed form of the Restricted Court Access Order accompanying the Receiver’s application (the “**Restricted Court Access Order**”), as they contain:
- a) the Receiver’s summary of the Proposals Offers;
 - b) a summary of the terms and conditions of the Century Offer;
 - c) an unredacted copy of the Century Offer; and
 - d) the Auction Agreement.
59. The Receiver has provided notice of the application to approve the Auction Agreement to all parties on the service list, of parties expressing an interest in these proceedings, as well as on all parties listed as secured creditors from a current

search respecting People Express conducted with the Alberta Personal Property Registry.

Receiver's Recommendations

60. The Receiver believes that the Auction Agreement should be approved by the Court given:

- a) the estimated realizations set out in the Century Offer was one of the highest and best offers received by the Receiver;
- b) the NMG is to be paid in cash;
- c) a non-refundable deposit equal to 10% of the initial NMG proposal was provided to the Receiver;
- d) the Auction Agreement contains “as is, where is” provisions and has no closing conditions other than Court approval;
- e) the Receiver is specifically authorized to market and sell the Property subject to the Auction Agreement pursuant to the Consent Receivership Order (subject to Court approval);
- f) the acceptance of the Auction Agreement is commercially reasonable and provides the highest net realization to the estate, with a sizeable non-refundable deposit, and reduces the risk and cost to the estate;
- g) Century Services Corp. is a reputable auctioning firm in Canada, in particular in Western Canada, understands the Auction Assets very well and is likely in the best position to maximize the realization of the Auction Assets, in the circumstances; and
- h) RBC, as the senior secured creditor, is supportive of the transaction contemplated by the Auction Agreement.

61. Accordingly, the Receiver is applying to this Honourable Court to approve the Auction Agreement and for the vesting of the Auction Assets.

REQUEST TO COMPEL DELIVERY OF UNITS

62. On May 12, 2021, the Receiver became aware that a People Express trailer (Unit 1527 – VIN 1UYVS2533CU389004) was in the possession of JDV. On the same day, a contractor of the Receiver contacted JDV to discuss the asset in JDV's possession and asked for the trailer to be returned.
63. On May 13, 2021, the Receiver's Counsel sent a letter to JDV formally requesting the return of the trailer back to the Receiver. A copy of the letter sent to JDV is attached as **Appendix "E"**.
64. In response to the letter sent by the Receiver's counsel on May 13, 2021, JDV informed the Receiver that they would not release the asset as the owners of People Express had sold them the asset in consideration for unpaid invoices.
65. JDV had provided the Receiver a bill of sale to prove that the sale of the asset had occurred prior to the Receivership Proceedings. The Receiver contacted the directors of People Express to corroborate this information and learned that the bill of sale may have been falsified and that the directors of People Express never approved of any sale of this asset to JDV.
66. On May 27, 2021, the Receiver's Counsel sent a follow up letter to JDV formally requesting the return of the trailer back to the Receiver, and requesting a response to the noted directors statement that they did not sign the bill of sale JDV is claiming forms part of the transaction agreement that conveyed the subject unit to JDV. A copy of the letter sent to JDV is attached as **Appendix "E"**.
67. At the date of this Report, after multiple attempts to contact JDV, the Receiver has not received any communication from JDV with respect to the asset held in JDV's possession.

68. The Receiver respectfully requests this Honourable Court provide an order that compels JDV to deliver the trailer immediately back to the Receiver as, based on the information in the Receiver's possession and statements made by the directors, it is in unlawful possession of the subject People Express assets.

RECEIPTS AND DISBURSMENTS

69. The following is a statement of the Receiver's receipts and disbursements within the Receiver's operating trust account during the Reporting Period and actual results since the Receivership Date:

People Express Transport Ltd. - In Receivership Interim Statement of Receipts & Disbursements Unaudited \$CAD			
	FIRST REPORT April 22, 2021 to May 14, 2021	Reporting Period May 15, 2021 to June 25, 2021	Total April 22, 2021 to June 25, 2021
Opening Cash			
Cash in bank	170,110	541,380	170,110
Receipts			
Accounts receivable	224,410	548,030	772,440
Sale of assets	-	652,000	652,000
Receiver's borrowings	500,000	-	500,000
GST collected	11,810	40,590	52,410
Total Receipts	736,220	1,240,620	1,976,850
Disbursements			
Insurance	136,920	260,710	397,630
Contractor payments	45,030	122,530	167,550
Fuel	149,700	16,530	166,230
Repairs & maintenance	16,720	20,530	37,250
GST paid	1,290	34,870	36,170
Rent & storage	7,200	9,540	16,740
Security	4,800	5,760	10,560
Appraisal fees	2,500	2,750	5,250
Miscellaneous	650	490	1,140
Bank charges	70	210	280
Professional fees and costs	70	630,680	630,750
Total Disbursements	364,950	1,104,610	1,469,550
Net Cash Flow	371,270	136,010	507,300
Opening Cash	170,110	541,380	170,110
Net Cash Flow	371,270	136,020	507,290
Closing Cash	541,380	677,400	677,400
Deposits in Trust	-	2,362,195	2,362,195
Note 1: USD amounts calculated from Bank of Canada exchange rate as of June 25, 2021			

70. Opening cash was \$541,380 as at May 15, 2021.
71. Receipts collected during the Reporting Period total \$1,240,620, which comprised of Receiver's Borrowings, the collection of certain accounts receivables, and the sale of certain trailer units to Ocean Trailer and People Driving.
72. Disbursements paid during the Reporting Period were \$1,104,610, which primarily related to insurance, fuel, contractor payments, repairs and maintenance, legal fees, rent, other miscellaneous costs, and professional fees and costs.
73. The professional fees and costs incurred by the Receiver and the Receiver's Counsel during the Reporting Period were \$387,847. Since the Receivership Date to the end of the Reporting Period (June 18, 2021) total professional fees and costs of the Receiver and the Receiver's Counsel were \$630,680, which were fully paid by the Receiver in the Reporting Period. The Receiver previously sought and obtained Court approval for its and the Receiver's Counsel's professional fees and costs from the Receivership Date to May 7, 2021 (as discussed in greater the First Report). The Receiver is now seeking approval by this Honourable Court to respectfully approve its and the Receiver's Counsel's fees and costs during the Reporting Period, which are further discussed below.
74. Total available operating cash on hand with the Receiver as at June 25, 2021 was approximately \$677,400. The Receiver is holding onto funds in a separate account totaling approximately \$2.62 million, largely relating to the deposits required to be delivered by the interested auctioneers as part of submitting their respective proposals in the Sales Process.

APPROVAL OF THE RECEIVER'S AND ITS COUNSEL'S FEES AND COSTS

75. The Receiver seeks approval from this Honourable Court of its and the Receiver's Counsel's fees and disbursements from May 8, 2021 to June 18, 2021 (the "**Interim Taxation Period**"), pursuant to paragraph 19 of the Consent Receivership Order. The Receiver previously obtained Court approval on its and its Counsel's

professional fees and costs from the Receivership Date to May 7, 2021, as detailed in the First Report.

76. The total fees and disbursements of the Receiver during the Interim Taxation Period total \$281,351.60 (excluding GST) (the “**Receiver’s Fees and Costs**”). The total fees and disbursements of the Receiver’s Counsel and MDC as special employment counsel, during the Interim Taxation Period total \$106,496.80 (excluding GST) (the “**Receiver’s Counsel’s Fees and Costs**”). A summary of the Receiver’s and the Receiver’s Counsel’s Fees and Disbursements are attached as **Appendix “F”**.
77. The accounts of the Receiver and the Receiver’s Counsel outline the date of the work completed, the description of the work completed, the length of time taken to complete the work and the name of the individual who completed the work. Copies of the invoices will be made available to the Court at its direction, if necessary.
78. The Receiver respectfully submits that its professional fees and disbursements and those of the Receiver’s Counsel are fair and reasonable in the circumstances and as outlined in this Report and respectfully requests that this Honourable Court approve the Receiver’s Fees and Costs and the Receiver’s Counsel’s Fees and Costs.

RECEIVER’S ONGOING ACTIVITIES AND FUTURE COURSE OF ACTION

79. The Receiver’s next steps include, but are not limited to the following:
 - a) continued efforts with respect to locating, transporting and securing the remaining Property;
 - b) continue to determine the validity of the garage keepers’ liens;
 - c) prepare for the auction as outlined in the Auction Agreement, subject to Court approval;
 - d) continue to assist former employees with respect to WEPP, as well as provide necessary employment information to governmental bodies as requested;

- e) coordinate an audit on source deductions and GST with the CRA;
- f) continue to investigate the existence, completeness and collectability of accounts receivable and intercompany (related party) accounts receivable;
- g) continued communication with the Company's customers and ongoing efforts to collect on the trade accounts receivable;
- h) assist in the investigation into the Critical Worker Benefit subsidy program utilized by the Company on behalf of the employees;
- i) assist in the inspection to verify the Company's compliance with the conditions under the *Immigration and Refugee Protection Regulations* as well as conditions set out in Labour Market Impact Assessment; and
- j) various other administrative tasks relating to the Receivership Proceedings.

RECEIVER'S RECOMMENDATIONS

80. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court approve:

- a) the Sale Process;
- b) the Auction Agreement and sale of the Auction Assets;
- c) the Sales Process & Auction Approval and Vesting Order (as defined in the application filed by the Receiver on June 28, 2021);
- d) the Restricted Court Access Order;
- e) an order compelling the release of the trailer held by JDV to the Receiver;

- f) the Receiver's Fees and Costs and the Receiver's Counsel's Fees and Costs; and
- g) the actions, activities and conduct of the Receiver to date as set out in this Report.

All of which is respectfully submitted this 28th day of June, 2021.

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as Court-appointed Receiver and Manager of
People Express Transport Ltd.
and not in its personal or corporate capacity**

A handwritten signature in blue ink, appearing to be 'Orest Konowalchuk', with a stylized, elongated shape.

Orest Konowalchuk, CPA, CA, CIRP, LIT
Senior Vice President

A handwritten signature in blue ink, appearing to be 'Cassie Riglin', with a stylized, elongated shape.

Cassie Riglin, CPA, CA, CIRP, LIT
Senior Vice President

APPENDIX “A”

May 13, 2021

WITHOUT PREJUDICE

VIA EMAIL (TRA.REVENUE@GOV.AB.CA)

Government of Alberta
Tax and Revenue Administration
9811 109 Street NW
Edmonton, AB T2K 2L5

Dear Sir/Madam:

**Re: In the Matter of the Receivership of People Express Transport Ltd. (“People Express”);
International Fuel Tax Agreement and Filings Related Thereto**

We are counsel to Alvarez & Marsal Canada Inc. in relation to the above-captioned matter concerning the receivership of People Express. On April 22, 2021, the Court of Queen’s Bench of Alberta granted an Order (the “**Consent Receivership Order**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 and section 13(2) of the *Judicature Act*, RSA 2000, c J-2, whereby Alvarez & Marsal Canada Inc. was appointed receiver and manager (“**Receiver**”), of all of People Express’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”) (such proceedings referred to herein as the “**Receivership Proceedings**”). For further information related to the Receivership Proceedings, please visit: www.alvarezandmarsal.com/PETL (the “**Receiver’s Website**”).

We understand that People Express is in good standing with respect to its International Fuel Tax Agreement (“**IFTA**”) related obligations further to our discussion with Janice Marshall on Friday May 7, 2021, however, that filing related to the IFTA is required in normal course of a going-concern transportation company (the “**IFTA Filing**”).

Given that the ordinary course business operations of People Express have ceased due to the Receivership Proceedings, the Receiver’s preliminary view is the that any claims related to any IFTA Filing would be an unsecured claim against the receivership estate; however, the Receiver invites the Government of Alberta to advise of its position and, most importantly, whether they are or would be claiming a statutory priority (and if so, under which statute and section of same they are claiming a statutory priority) or secured claim in connection with any amounts due related to the IFTA filing

and/or any other payments that may be outstanding (for certainty, we have not been made aware of any outstanding payments). We would appreciate your response forthwith, prior to May 31, 2021.

Further, we note that pursuant to the Consent Receivership Order, which can be found on the Receiver's Website, any and all proceedings currently under way against or in respect of People Express or the Property are stayed and suspended pending further Order of the Court. Please see paragraph 8 of the Consent Receivership Order in this regard.

Kindly take notice that, at this time, the Receiver is choosing not to file the returns ending March 31, 2021 due to a number of reasons, including the fact that the costs to complete such filings would be prohibitively costly to the receivership estate (and will likely cost more than the amount payable related to the IFTA Filings based on the Receiver's review of historical returns).

We will be adding the email address above (i.e. tra.revenue@gov.ab.ca) to the Service List to ensure that you are notified of all matters related to the Receivership Proceedings. Should you require that any other party be added, please feel free to contact the undersigned.

If we do not hear from you by May 31, 2021 regarding your position on whether any potential claim related to the IFTA Filing is an unsecured claim (and any relevant statutes providing the Government of Alberta's potential claim a statutory priority), the Receiver will deem your silence to be acceptance by the Government of Alberta that any such claim is an unsecured claim

We appreciate your cooperation and look forward to hearing from you soon.

Sincerely,



Kyle Kashuba

KDK/jw

cc: The Receiver, Alvarez & Marsal Canada Inc., Attention: Orest Konowalchuk, Cassie Riglin and Bryan Krol (via email)
Torys LLP, Attention: Jessie Mann (via email)

May 31, 2021

Via email (kkashuba@torys.com)

Torys LLP
525 – 8th Avenue S.W., 46th Floor
Eighth Avenue Place East
Calgary, AB T2P 1G1

Attention: Kyle Kashuba

Re: In the Matter of the Receivership of People Express Transport Ltd.
International Fuel Tax Agreement Filings

The Government of Alberta can advise that it will not be claiming a statutory priority or secured claim in connection with any amounts owed related to the outstanding International Fuel Tax Agreement (IFTA) filing for People Express Transport Ltd (People Express).

We encourage the Receiver to file the outstanding IFTA return for the quarter ending March 31, 2021. A failure to meet their IFTA filing obligations may prevent People Express from becoming licensed under the IFTA again should they try to resume operations. If no return is filed Alberta Treasury Board and Finance, Tax and Revenue Administration (TRA) will issue an assessment for the quarter ended March 31, 2021 on the basis of the best information available as required under the IFTA Articles of Agreement. This assessment will include penalties under section 26 of the *Fuel Tax Act* for failure to file a return.

Thank you for reaching out and including us in the Receivership Proceedings. Please include the following email to the Service List: TBF.SCO@gov.ab.ca.

Regards,

James Ackroyd, CPA-CMA, LL.B.
Executive Director, Tax Services
Tax and Revenue Administration
Alberta Treasury Board and Finance
(780) 644 7371
James.ackroyd@gov.ab.ca

cc Shelly Procyk, Senior Manager, Filing Compliance & Collections TRA (via email)

APPENDIX “B”

May 28, 2021

WITHOUT PREJUDICE

**VIA MAIL (U.S. CUSTOMS AND BORDER PROTECTION) &
EMAIL (KYMBERLEY.BECKETT@INTLBONDMARINE.COM)**

International Bond & Marine Brokerage, LTD.
2 Hudson Pl 4th Fl.
Hoboken New Jersey 07030
USA

U.S. Customs and Border Protection
Fines, Penalties and Forfeitures Office
Suite 200, 477 Michigan Avenue
Detroit, MI 48226

Attention: Kymberley Beckett & Robert L. Stockett

Dear Ms. Beckett and Mr. Stockett:

**Re: In the Matter of the Receivership of People Express Transport Ltd. (“People Express”); Action No. 2101-02280
Case Number: 2021380120121001**

We are counsel to Alvarez & Marsal Canada Inc. in relation to the above-captioned matter concerning the receivership of People Express. On April 22, 2021, the Court of Queen’s Bench of Alberta granted an Order (the “**Consent Receivership Order**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 and section 13(2) of the *Judicature Act*, RSA 2000, c J-2, whereby Alvarez & Marsal Canada Inc. was appointed receiver and manager (“**Receiver**”), without security, of all of People Express’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”) (such proceedings referred to herein as the “**Receivership Proceedings**”). For further information related to the Receivership Proceedings, please visit: www.alvarezandmarsal.com/PETL (the “**Receiver’s Website**”).

We understand that People Express conducted operations across North America and out of courtesy, we did want to inform you of People Express’ insolvent situation. We understand that the U.S. Customs and Border Protection / International Bond & Marine Brokerage, LTD. are claiming

liquidated damages in the amounts of \$22,800, \$50,000, \$12,729, and \$31,003.00 (collectively, the “**Subject Claim**”), pursuant to Ms. Beckett’s email dated April 30, 2021 to “dispatch@peoplexpress.ca”.

The Receiver’s preliminary view is the that the Subject Claim is an unsecured claim; however, the Receiver invites International Bond & Marine Brokerage, LTD. and the U.S. Customs and Border Protection’s position and request for confirmation regarding (a) which legislation they are making this claim and, most importantly, (b) whether they are claiming a statutory priority (and if so, under which statute they are claiming a statutory priority). We would appreciate your response forthwith.

Further, we note that pursuant to the Consent Receivership Order, which can be found on the Receiver’s Website, any and all proceedings currently under way against or in respect of People Express or the Property are stayed and suspended pending further Order of the Court. Please see paragraph 8 of the Consent Receivership Order.

Please advise whether you would prefer to be added to the Service List – if not, the Receiver suggests that you visit the Receiver’s Website for any necessary notifications or developments that may impact your claim.

If we do not hear from you by June 30, 2021 regarding your position on whether the Subject Claim is an unsecured claim (and any relevant statutes providing International Bond & Marine Brokerage, LTD. or the U.S. Customs and Border Protection’s claim a statutory priority), the Receiver will deem your silence to be acceptance by International Bond & Marine Brokerage, LTD. and the U.S. Customs and Border Protection that the Subject Claim is an unsecured claim

We appreciate your cooperation and look forward to hearing from you soon.

Sincerely,



Kyle Kashuba

KDK/jw

cc: The Receiver, Alvarez & Marsal Canada Inc., Attention: Orest Konowalchuk, Cassie Riglin and Bryan Krol (via email)
Torys LLP, Attention: Jessie Mann (via email)

APPENDIX “C”

LAND TITLE CERTIFICATE

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2

161 113 568

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

BRITISH COLUMBIA V6J4T3

ORIGINAL PRINCIPAL AMOUNT: \$264,000

TOTAL INSTRUMENTS: 003

PENDING REGISTRATION QUEUE

DRR NUMBER	RECEIVED DATE (D/M/Y)	CORPORATE LLP TRADENAME	LAND ID
C0020US	02/06/2021	TORYS LLP 403-863-8275 CUSTOMER FILE NUMBER: 39108-2009	
001		ORDER - ENDORSEMENT	0023 656 861

TOTAL PENDING REGISTRATIONS: 001

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 23 DAY OF JUNE,
2021 AT 09:49 A.M.

ORDER NUMBER: 41995672

CUSTOMER FILE NUMBER: 39108-2009



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED
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IF MORE INFORMATION IS REQUIRED ON A PENDING REGISTRATION WHERE
THE CONTACT INFORMATION DISPLAYS N/A PLEASE EMAIL LTO@GOV.AB.CA.

APPENDIX “D”

Krol, Bryan

From: Krol, Bryan
Sent: Wednesday, June 09, 2021 12:41 PM
Cc: Krol, Bryan; Hilton, Trevor; Riglin, Cassie; Konowalchuk, Orest (okonowalchuk@alvarezandmarsal.com)
Subject: People Express Transport Ltd. - In Receivership - Request for Proposal
Attachments: PETL - Request for Proposal.pdf; Asset Listing for RFP.pdf

OVERVIEW

On April 22, 2021, the Court of Queen's Bench of Alberta (the "**Court**") granted an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 and sections 13(2) of the *Judicature Act*, RSA 2000, cJ-2, whereby Alvarez & Marsal Canada Inc. was appointed receiver (the "**Receiver**") of all of People Express Transport Ltd., ("**PETL**" or the "**Company**") current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including proceeds thereof (the "**Property**").

The Receiver is currently seeking offers on certain of the Company's Property (the "**Sale Assets**"). To submit an offer on the Sale Assets, please complete and submit a proposal form (the "**Proposal Form**"), a copy of which is attached hereto, in compliance with the terms forth herein and in the Proposal Form. Specifically, the Receiver is seeking offers from certain parties on the following basis:

- 1) an outright purchase for all of the Sale Assets;
- 2) Net Minimum Guarantee; and/or;
- 3) Straight Commission.

As part of the "offer submission" (discussed further below), kindly provide further details and information about the auctioning company's (bidder) experiences with respect to (a) purchasing and auctioning tractors and trailers and/or similar assets and (b) auctioning assets in the context of formal insolvency proceedings (Receivership / Bankruptcy).

PETL SALE ASSETS

Attached hereto is the most up to date fixed asset listing (the "**Fixed Asset Listing**"), which identifies PETL's various vehicles and trailers. The Receiver is seeking offers on the Fixed Asset Listing located at the Receiver's third party holding site.

If you are interested in seeing the Sale Assets first hand, please contact the undersigned to arrange a viewing with a representative of the Receiver. Upon receipt of your request and subject to the other terms noted herein, the Receiver will provide a schedule of viewing times. Note, however, due to Covid-19, strict adherence to all Provincial and Local orders and mandates will be required during your viewing of the Sale Assets at your scheduled time.

OFFER SUBMISSION

All offers must be submitted on the Proposal Form, along with any additional information you wish to include as part of the offer. Each offer must include a bank draft (or wire transfer) payable to Alvarez & Marsal Canada Inc., Receiver of PETL, representing 10% of the total amount of the highest valued proposal therein at the time the Proposal Form is submitted by the bidder (this does not apply should the bidder only offer a "commission fee" proposal as noted on the Proposal Form). The 10% deposit will become non-refundable upon execution of a definitive agreement by the bidder and the Receiver (the "**Definitive Agreement**"), satisfactory to the Receiver, unless the transaction contemplated by the Definitive Agreement does not close as a sole result of the breach of an obligation or term of the Definitive Agreement.

by the Receiver or the Court of Queen's Bench of Alberta does not grant the Approval and Vesting Order as contemplated in the Definitive Agreement). A copy of the Receiver's wire banking information is attached to this email.

Please note, the Receiver maintains the right to choose and accept any offer from any bidder in its sole and absolute discretion and is not required to accept the offer with the highest amount offered. The Receiver may also choose to reject all offers.

BID DEADLINE

The Receiver requires that all proposals be submitted to the Receiver by **Noon MDT on Wednesday, June 23rd, 2021**. Proposals should be sent by email or courier to the following address or email address:

People Express Transport Ltd.,
by and through its court appointed Receiver, Alvarez & Marsal Canada Inc.,
and not in its personal or corporate capacity
C/o Cassie Riglin, Senior Vice President
Bryan Krol, Senior Manager
Bow Valley Square IV
Suite 1110, 250-6th Avenue SW
Calgary, Alberta T2P 3H7

Contact information:

Cassie Riglin: criglin@alvarezandmarsal.com 403) 538-7519
Bryan Krol: bkrol@alvarezandmarsal.com (403) 538-7523
Trevor Hilton: thilton@alvarezandmarsal.com (403) 538-7538

AS IS, WHERE IS AND WITHOUT RECOURSE BASIS SALE, SUBJECT TO COURT APPROVAL

The "successful bidder" acknowledges that any sale of the Sale Assets by the Receiver are on an "as is, where is" and "without recourse" basis and the Receiver makes no representation, warranty or collateral agreement, either express or implied, as to the condition or fitness of the Sale Assets for any purpose. It is further agreed by the successful bidder that the implied conditions and warranties contained in the *Sale of Goods Act*, RSA 2000, c S-2, as amended, or any similar statute or law in any other province or territory, are expressly excluded and shall not apply to the sale effected hereby and under any Definitive Agreement. The successful bidder confirms that it has completed to its satisfaction any due diligence and investigation in relation to the Sale Assets and the purchase contemplated herein.

The purchase and sale of Sale Assets requires, and the closing of the transactions contemplated herein remain subject to, approval of the Court. The Receiver is hopeful that if an acceptable offer is received, the Receiver will be seeking Court Approval by early July 2021.

Thank you once again for your interest in the PETL Sale Assets, and we look forward to receiving your offer on or before **Noon MDT, Wednesday, June 23, 2021**.

Should you have any questions, please do not hesitate to contact Cassie Riglin, Bryan Krol or Trevor Hilton of the Receiver.

Cassie Riglin, CPA, CA, CIRP, LIT

Senior Director
Alvarez & Marsal Canada ULC
Suite 1110, 250 6th Ave SW
Calgary, AB T2P 3H7
Direct: +1 403 538 7519
Mobile: +1 587 439 9913
AlvarezandMarsal.com

Follow and connect with A&M:
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Bryan Krol

Director
Alvarez & Marsal Canada
Suite 1110, 250 6th Ave. S.W.
Calgary, AB T2P 3H7
Direct: +1 403 538 7523
Mobile: +1 587 227 2559
AlvarezandMarsal.com

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Trevor Hilton

Analyst
Alvarez & Marsal Canada
Suite 1110, 250 6th Ave. S.W.
Calgary, AB T2P 3H7
Direct: +1 403 538 7538
Mobile: +1 403 616 8575
AlvarezandMarsal.com

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PROPOSAL FORM – People Express Transport Ltd. - IN RECEIVERSHIP

To: People Express Transport Ltd. (“**PETL**”), by and through its court appointed receiver and manager, Alvarez and Marsal Canada Inc. (the “**Receiver**”), acting in its capacity as receiver and manager, and not in its personal or corporate capacity, of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including proceeds thereof, of PETL

Bow Valley Square 4
Suite 1110, 250 - 6th Avenue SW
Calgary, Alberta T2P 3H7

Attention: Cassie Riglin criglin@alvarezandmarsal.com
Bryan Krol bkrol@alvarezandmarsal.com

1. _____

(Name of Party issuing Proposal) (the “**Bidder**”)

2. _____

(Address of Party)

3. _____
(Phone number) (Email)

4. _____
(Person to be contacted)

5. The total amount hereby offered: Proposal A (Net Minimum Guarantee): \$ _____

a. Additional Conditions: _____

6. The total amount hereby offered: Proposal B (Straight Commission) \$ _____

a. Additional Conditions: _____

7. The total amount hereby offered: Proposal C (Outright Purchase): \$ _____

a. Additional Conditions: _____

8. In the event more than one of the foregoing Proposals is submitted by the Bidder, the Receiver may accept any one Proposal from any Bidder in its sole and absolute discretion.
9. Each Proposal submitted by any bidder shall be referred to as a "**Bid**". The Receiver maintains the right to accept any Bid in its sole discretion and is not required to accept the Bid with the highest amount offered. The Receiver may choose to reject all Bids at its sole and absolute discretion.
10. Enclosed is the Bidder's bank draft payable to Alvarez & Marsal Canada Inc., in its capacity as Receiver of PETL as a deposit in the amount of \$_____, representing 10% of the total amount of the Bidder's highest valued Proposal submitted herein (the "**Deposit**"). The Deposit is only required should the Bidder offer a bid based on a Net Minimum Guarantee or Outright Purchase basis.
11. If a Bid is accepted by the Receiver (the "**Accepted Proposal**"), the applicable Bidder will, in good faith, negotiate a binding definitive agreement (the "**Definitive Agreement**") with the Receiver, satisfactory to the Receiver, which shall, unless the parties agree otherwise, include, *inter alia* the following terms:
 - a. a purchase price in an amount equal to that contained in the Accepted Proposal;
 - b. an allocation of the purchase price for each of the assets sold under the Definitive Agreement (the "**Sale Assets**"), and a term to adjust the purchase price for any removal of Sale Assets from the purchase and sale;
 - c. additional provisions incorporating the Additional Conditions set out in the Accepted Proposal;
 - d. standard conditions precedent, including, that the performance of the Definitive Agreement will be subject to approval of the Court of Queen's Bench of Alberta (the "**Court Approval**"), no action or proceeding, at law or in equity, shall have been commenced or threatened by any person, firm, company, government, regulatory body or agency to enjoin, restrict or prohibit the sale of the Sale Assets, the Purchaser shall have paid the Purchase Price and GST payment in full to the Receiver, and the Purchaser shall have provided a certificate from an officer of the Purchaser that all representations and warranties of the Purchaser contained in the Definitive Agreement are true and correct;
 - e. a term that the Deposit will be non-refundable upon the execution of the Definitive Agreement by the Bidder and the Receiver unless the transaction contemplated by the Definitive Agreement does not close as a sole result of the breach of an obligation or term of the Definitive Agreement by the Receiver or the Court of Queen's Bench of Alberta does not grant the Approval and Vesting Order as contemplated in the Definitive Agreement);
 - f. a term that the Sale Assets shall be acquired by the Bidder on an "as is, where is" and "without recourse" basis;
 - g. a term that the Receiver will make no representation, warranty or collateral agreement, either express or implied, as to the condition or fitness of any Asset for any purpose or as to the title, ownership or merchantability of any Asset;
 - h. a term that the implied conditions and warranties contained in the *Sale of Goods Act*, RSA, c S-2, as amended, or any similar statute or law in any other province or territory, are expressly excluded and shall not apply to the sale effected by the Definitive Agreement;
 - i. a representation by the Bidder that it has completed to its satisfaction any due diligence and investigation in relation to the Sale Assets; and

- j. such other terms that are customary in an agreement of the nature of the Definitive Agreement and/or otherwise required by the Receiver, in its sole and absolute discretion.

12. The Receiver requires that all Bids be submitted by e-mail or courier to the Receiver by Noon MDT on Wednesday, June 23, 2021

DATED at _____ this _____ day of _____, 2021.

(Signature of Authorized Representative)

(Name and Position)

ACCEPTED:

**PEOPLE EXPRESS TRANSPORT LTD., BY AND
THROUGH ITS COURT APPOINTED RECEIVER AND
MANAGER, ALVAREZ AND MARSAL CANADA INC.,
ACTING IN ITS CAPACITY AS RECEIVER, AND NOT
IN ITS PERSONAL OR CORPORATE CAPACITY**

(Signature of Authorized Representative)

(Name and Position)

VIN	Year	Make	Model	Type	Aprox. Mileage / Reefer Hours	Unit #	Location
1UYVS2531DU627918	2013	UTILITY	UTILITY	Trailer		1502	Shepard
1UYVS25368U545303	2008	UTILITY 53'	T/A REEFER	Trailer	39000	1503	Shepard
1UYVS25325U546539				Trailer		1505	Shepard
1UFYS25314U263306				Trailer		1509	Shepard
1UYVS2532EU836411	2014	UTILITY	TRAILER	Trailer	36066	1511	Shepard
1UYVS2530EU836617	2014	UTILITY	TRAILER	Trailer	39183	1512	Shepard
1UYVS2534EU836619	2014	UTILITY	TRAILER	Trailer	Average 38000	1514	Shepard
1UYVS25317U142201	2007	UTILITY	TRAILER	Trailer	Average 45000	1517	Shepard
1UYVS25337U193201	2007	UTILITY	TRAILER	Trailer	Average 45000	1518	Shepard
1UYVS25367U193208	2007	UTILITY	TRAILER	Trailer	Average 45000	1519	Shepard
1UYVS25378U420603	2008	UTILITY	VS2RA	Trailer	Average 45000	1521	Shepard
1UYVS25368U420608	2008	UTILITY	VS2RA	Trailer	Average 45000	1522	Shepard
1UYVS2533DU627905	2013	UTILITY	53' REEFER	Trailer	Average 30000	1523	Shepard
1UYVS2538CU389008	2012	UTILITY	53' REEFER	Trailer	Average 30000	1524	Shepard
1UYVS2539CU488104	2013	UTILITY	53' REEFER	Trailer	Average 30000	1525	Shepard
1UYVS2531CU389003	2013	UTILITY	53' TANDEM	Trailer	25228	1526	Shepard
1UYVS2538DU725022	2012	UTILITY	53'	Trailer	Average 30000	1528	Shepard
1UYVS2538CU389001	2012	UTILITY	TANDEM	Trailer	Average 30000	1531	Shepard
1UYVS2534BM137003	2011	UTILITY	53'	Trailer	41880	1533	Shepard
1UYVS2538BM137005	2011	UTILITY	53'	Trailer	Average 42000	1535	Shepard
1UYVS2538GU621411	2016	53' TANDEM A/R	67614	Trailer	Average 20000	1537	Shepard
1UYVS253XGU621412	2016	53' TANDEM A/R	67615	Trailer	Average 20000	1538	Shepard
1UYVS2533GU621414	2016	53' TANDEM A/R	67617	Trailer	Average 20000	1540	Shepard
1UYVS2537GU621416	2016	53' TANDEM A/R	67619	Trailer		1542	Shepard
1UYVS2539GU621417	2016	53' TANDEM A/R	67620	Trailer	Average 20000	1543	Shepard
1UYVS2530GU621418	2016	53' TANDEM A/R	67621	Trailer	Average 20000	1544	Shepard
1UYVS2532GU621419	2016	53' TANDEM A/R	67622	Trailer	Average 20000	1545	Shepard
1UYVS2539GU621420	2016	53' TANDEM A/R	67623	Trailer	Average 20000	1546	Shepard
1UYVS2536GU822207	2016	UTILITY	TANDEM REEFER	Trailer	Average 20000	1548	Shepard
1JJV532B3HL016170	2017	WABASH	53' TANDEM	Trailer	Average 16000	1550	Shepard
1JJV532B5HL016171	2017	WABASH	53' TANDEM	Trailer	Average 16000	1551	Shepard
1JJV532B2HL016175	2017	WABASH	53' TANDEM	Trailer	Average 16000	1552	Shepard
1JJV532B4HL962990	2017	WABASH	53' TANDEM	Trailer	Average 16000	1553	Shepard
1JJV532B7HL016172	2017	WABASH	53' TANDEM	Trailer	Average 16000	1554	Shepard
1JJV532B0HL016174	2017	WABASH	53' TANDEM	Trailer	Average 16000	1555	Shepard
1JJV532B2HL962986	2017	WABASH	53' TANDEM	Trailer	Average 16000	1556	Shepard
1JJV532B4HL962987	2017	WABASH	53' TANDEM	Trailer	21441	1557	Shepard
1JJV532B6HL962991	2017	WABASH	53' TANDEM	Trailer	Average 16000	1558	Shepard
1UYVS2531H2950013	2017	UTILITY	53' TANDEM	Trailer	14979	1562	Shepard
1UYVS2539H2950017	2017	UTILITY	53' TANDEM	Trailer	20005	1563	Shepard
1UYVS2530H2950018	2017	UTILITY	53' TANDEM	Trailer	Average 16000	1564	Shepard
1UYVS2532H2950019	2017	UTILITY	53' TANDEM	Trailer	Average 16000	1565	Shepard
1UYVS2539H2950020	2017	UTILITY	53' TANDEM	Trailer	Average 16000	1566	Shepard
1UYVS2530H2950021	2017	UTILITY	53' TANDEM	Trailer	Average 16000	1567	Shepard
1UYVS253XH2950009	2017	UTILITY	53' TANDEM	Trailer	Average 16000	1568	Shepard
1UYVS2536H2950010	2017	UTILITY	53' TANDEM	Trailer	Average 16000	1569	Shepard
1UYVS2538H2950011	2017	UTILITY	53' TANDEM	Trailer	Average 16000	1570	Shepard
1UYVS253XH2950012	2017	UTILITY	53' TANDEM	Trailer	Average 16000	1571	Shepard
1UYVS2533H2950014	2017	UTILITY	53' TANDEM	Trailer	Average 16000	1572	Shepard
1UYVS2535H2950015	2017	UTILITY	53' TANDEM	Trailer	Average 16000	1573	Shepard
1UYVS2537H2950016	2017	UTILITY	53' TANDEM	Trailer	Average 16000	1574	Shepard

1JJV532B6CL384433	2013	UTILITY	53' TANDEM	Trailer	30000	1575	Shepard
1JJV532B5CL384343	2013	UTILITY	53' TANDEM	Trailer	30000	1576	Shepard
1UYVS253XCM330502	2013	UTILITY	53' TANDEM	Trailer	30000	1577	Shepard
527SR5326FM005545	2015	VANGUARD	REEFER	Trailer	Average 22000	1579	Shepard
1UYVS2530FM144214	2015	UTILITY	REEFER	Trailer	Average 22000	1581	Shepard
1UYVS2539FM144213	2015	UTILITY	REEFER	Trailer	Average 22000	1582	Shepard
1UYVS2532FM144215	2015	UTILITY	REEFER	Trailer	Average 22000	1583	Shepard
1UYVS2535GM380911	2016	UTILITY	REEFER	Trailer	Average 20000	1584	Shepard
1UYVS2537GM380912	2016	UTILITY	REEFER	Trailer	Average 20000	1585	Shepard
1UYVS2538GM380918	2016	UTILITY	REEFER	Trailer	Average 20000	1587	Shepard
1UYVS2537GM380909	2016	UTILITY	REEFER	Trailer	Average 20000	1588	Shepard
1UYVS2538GM380921	2016	UTILITY	REEFER	Trailer	Average 20000	1589	Shepard
1UYVS2533GM380924	2016	UTILITY	REEFER	Trailer	Average 20000	1590	Shepard
1UYVS253XGM380905	2016	UTILITY	REEFER	Trailer	Average 20000	1592	Shepard
1UYVS2531GM380906	2016	UTILITY	REEFER	Trailer	Average 20000	1593	Shepard
1UYVS2535GM380908	2016	UTILITY	REEFER	Trailer	Average 20000	1594	Shepard
1UYVS2539GM380913	2016	UTILITY	REEFER	Trailer	24748	1595	Shepard
1UYVS35389U645717	2009	UTILITY	TRI-AXLE REEFER	Trailer		1599	Shepard
1UYVS3532DU608011	2013	UTILITY	53' TANDEM	Trailer	Average 30000	13100	Shepard
1UYVS353XDU608015	2013	UTILITY	53' TANDEM	Trailer		13101	Shepard
1UYVS3535DU608004	2013	UTILITY	53' TANDEM	Trailer	30049	13103	Shepard
1UYVS3530DU608010	2013	UTILITY	53' TANDEM	Trailer	Average 30000	13104	Shepard
1UYVS3535DU608018	2013	UTILITY	53' TANDEM	Trailer	Average 30000	13105	Shepard
1UYVS3531L2779701	2020	UTILITY	53' TRI AXLE	Trailer	Average 4000	13107	Shepard
1UYVS3533L2779702	2020	UTILITY	53' TRI AXLE	Trailer	Average 4000	13108	Shepard
1UYVS3535L2779703	2020	UTILITY	53' TRI AXLE	Trailer	Average 4000	13109	Shepard
1UYVS3537L2779704	2020	UTILITY	53' TRI AXLE	Trailer		13110	Shepard
1UYVS3539L2779705	2020	UTILITY	53' TRI AXLE	Trailer		13111	Shepard
1UYVS2537H2122712	2017	OCEAN	TANDEM	Trailer	Average 16000	15100	Shepard
1UYVS2539H2122713	2017	OCEAN	TANDEM	Trailer	Average 16000	15101	Shepard
1UYVS2536H2122717	2017	OCEAN	TANDEM	Trailer	Average 16000	15102	Shepard
1UYVS253XH2122719	2017	OCEAN	TANDEM	Trailer	Average 16000	15103	Shepard
1UYVS2538H2122721	2017	OCEAN	TANDEM	Trailer	Average 16000	15104	Shepard
1UYVS253XH2122722	2017	OCEAN	TANDEM	Trailer	Average 16000	15105	Shepard
1UYVS2536J6046317	2018	UTILITY	VS2RA	Trailer	Average 13000	15141	Shepard
1UYVS2538J6046318	2018	UTILITY	VS2RA	Trailer	Average 13000	15142	Shepard
1UYVS253XJ6046319	2018	UTILITY	VS2RA	Trailer	Average 13000	15143	Shepard
1UYVS2536J6046320	2018	UTILITY	VS2RA	Trailer	Average 13000	15144	Shepard
1UYVS2538J6046321	2018	UTILITY	VS2RA	Trailer	Average 13000	15145	Shepard
1UYVS25327U910719				Trailer		15150	Shepard
3AKJGLDRXH5JC3222	2017	FREIGHTLINER	CASCADIA	Motor Vehicle	1303636	51136	Shepard
3AKJHHDR5JSHB5663	2018	FREIGHTLINER	CASCADIA	Motor Vehicle	1121272	51149	Shepard
3AKJHHDR8KSJX9326	2019	FREIGHTLINER	CASCADIA	Motor Vehicle	676585	51182	Shepard
3AKJHHDR1KSJX9328	2019	FREIGHTLINER	CASCADIA	Motor Vehicle	989455	51183	Shepard
3AKJHHDR8KSJX9309	2019	FREIGHTLINER	PT126SLP	Motor Vehicle	934531	51185	Shepard
3AKJHHDR2KSJX9354	2019	FREIGHTLINER	PT126SLP	Motor Vehicle	933026	51186	Shepard
3AKJHHDRXKSJX9327		FREIGHTLINER	PT126SLP	Motor Vehicle	926091	51187	Shepard
3AKJHHDR0KSJX9367	2019	FREIGHTLINER	PT126SLP	Motor Vehicle	689467	51188	Shepard
3AKJHHDR9KSJX9335	2019	FREIGHTLINER	PT126SLP	Motor Vehicle	1183485	51191	Shepard
3AKJHHDR2KSJX9340	2019	FREIGHTLINER	PT126SLP	Motor Vehicle	859811	51193	Shepard
3AKJHHDR6KSJX9342	2019	FREIGHTLINER	PT126SLP	Motor Vehicle	980642	51194	Shepard
3AKJHHDR8KSJX9343	2019	FREIGHTLINER	PT126SLP	Motor Vehicle	910238	51195	Shepard
3AKJHHDR9KSJX9349	2019	FREIGHTLINER	PT126SLP	Motor Vehicle	1017809	51198	Shepard
3AKJHHDR5KSJX9350	2019	FREIGHTLINER	PT126SLP	Motor Vehicle	998192	51199	Shepard
3AKJHHDR9KSJX9352	2019	FREIGHTLINER	PT126SLP	Motor Vehicle	963008	51200	Shepard

5KJJBHDR1KLKU5710		WESTERN STAR	5700 XE	Motor Vehicle	507663	51203	Shepard
5KJJBHDR8KLKU5722	2019	WESTERN STAR	5700 XE	Motor Vehicle	550576	51204	Shepard
5KJJBHDR1KLKU5724	2019	WESTERN STAR	5700 XE	Motor Vehicle	599344	51205	Shepard
1GRAA06289W703811				Trailer		M15171	Shepard
1UYVS25398U536840				Trailer		T1559	Shepard
1UYVS35329U778702	2009	UTILITY	53' TRI-AXLE	Trailer	Average 45000	T1596	Shepard
1UYVS25342G862406				Trailer		V14000	Shepard
1DW1A53238S082814				Trailer		V14001	Shepard
1UYVS253X3G979716				Trailer		V14002	Shepard
1GRAA062371533355	2007	GREAT DANE	DRY VAN	Trailer		V14004	Shepard
1GRAA062971533456	2007	GREAT DANE	DRY VAN	Trailer		V14006	Shepard
1FUJGLD66ELFN8131	2014	FREIGHTLINER	CASCADIA	Motor Vehicle		51113	AAA Truck and Trailer Repair
1UYVS2533CU389004	2013	UTILITY	53' TANDEM	Trailer	Average 30000	1527	JDV Trucking
3AKJHHDR4JSHB5668	2018	FREIGHTLINER	CASSLP	Motor Vehicle	1087119	51153	New Milenium Tire Sales & Truck Repairs Ltd
1UYVS2530EU836620	2014	UTILITY	TRAILER	Trailer	Average 38000	1515	Ocean Yard - Calgary
1UYVS2534BU016701	2011	UTILITY	TANDEM	Trailer	Average 42000	1530	Ocean Yard - Calgary
3AKJHHDR0JSHB5666	2018	FREIGHTLINER	CASSLP	Motor Vehicle	1105069	51151	South City Truck Centre
3AKJHHDR2JSHB5667	2018	FREIGHTLINER	CASSLP	Motor Vehicle	1044978	51152	South City Truck Centre
3AKJHHDR1KSJX9331	2019	FREIGHTLINER	PT126SLP	Motor Vehicle	834979	51189	South City Truck Centre
3AKJHHDR7KSJX9334	2019	FREIGHTLINER	PT126SLP	Motor Vehicle	817797	51190	South City Truck Centre
3AKJHHDR4KSJX9338	2019	FREIGHTLINER	PT126SLP	Motor Vehicle	984162	51192	South City Truck Centre
3AKJHHDR3KSJX9346	2019	FREIGHTLINER	PT126SLP	Motor Vehicle	820565	51196	South City Truck Centre

APPENDIX “E”

May 13, 2021

WITHOUT PREJUDICE

VIA EMAIL (DISPATCH@JDVTRUCKING.CA)

JDV Trucking Ltd
95 Bearspaw View,
Calgary, AB T3R 1A4

To Whom it May Concern:

**Re: In the Matter of the Receivership of People Express Transport Ltd. (“People Express”);
Demand for Return of Property of People Express**

We act as counsel to Alvarez & Marsal Canada Inc. in relation to the above-captioned matter concerning the receivership of People Express. On April 22, 2021, the Court of Queen’s Bench of Alberta granted an Order (the “**Consent Receivership Order**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 and section 13(2) of the *Judicature Act*, RSA 2000, c J-2, whereby Alvarez & Marsal Canada Inc. was appointed receiver and manager (“**Receiver**”), without security, of all of People Express’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”) (such proceedings referred to herein as the “**Receivership Proceedings**”). For further information related to the Receivership Proceedings, please visit: www.alvarezandmarsal.com/PETL

We are writing to you concerning certain Property, specifically 2013 UTILITY 53' TANDEM Trailer Unit# 1527 (VIN: 1UYVS2533CU389004) (the “**Stolen Property**”), which we understand is in your unlawful possession.

We understand that the Receiver has followed up with you repeatedly, to request that you return the Stolen Property.

Despite the repeated requests, however, the Receiver has not yet received the Stolen Property. As such, the Receiver hereby again demands that you immediately return the Stolen Property and any other Property, documentation, and/or information owned or belonging to People Express in your possession in compliance with the law and the Consent Receivership Order.

The Receiver remains prepared to resolve any disputes with you by direct discussion and mutual agreement, and therefore, the Receiver invites an immediate discussion.

We trust that you understand the serious (including, for certainty, criminal) nature of this matter; therefore, we look forward to receiving confirmation that you have made or arranged to return the Stolen Property

within two (2) days of the date of this correspondence. Alternatively, the Receiver would be pleased to also make arrangements to pick up the Stolen Property. If the Receiver does not receive the Stolen Property by that time, the Receiver will consider pursuing this matter further, including commencing legal proceedings to address these issues and enforcing its rights without further delay. If it is necessary for the Receiver to commence legal proceedings, the Receiver will seek compensation for all damages the Receiver has suffered including, but not limited to, compensation for costs incurred in pursuit of exercising its rights under the Consent Receivership Order, and for full recovery of our legal fees. The Receiver hereby expressly reserves all available rights, remedies and claims in their entirety, any of which may be exercised or otherwise pursued at any time, and from time to time, in the sole and absolute discretion of the Receiver, as the case may be, in accordance with the law and in equity.

We trust that the foregoing is in order, but should you have any questions or concerns relating to the above, please do not hesitate to contact the undersigned to discuss the same.

Kindly govern yourselves accordingly.

Sincerely,



Kyle Kashuba

KDK/jw

cc: The Receiver, Alvarez & Marsal Canada Inc., Attention: Orest Konowalchuk, Cassie Riglin and Bryan Krol (via email)
Torys LLP, Attention: Jessie Mann (via email)

May 27, 2021

WITHOUT PREJUDICE

VIA EMAIL (DISPATCH@JDVTRUCKING.CA)

JDV Trucking Ltd
95 Bearspaw View
Calgary, AB T3R 1A4

To Whom It May Concern:

**Re: In the Matter of the Receivership of People Express Transport Ltd. (“People Express”);
Alberta Court of Queen’s Bench Action No. 2101-02280
Demand for Return of Property of People Express**

As you are aware, we act as counsel to Alvarez & Marsal Canada Inc. in relation to the above-captioned matter concerning the receivership of People Express. On April 22, 2021, the Court of Queen’s Bench of Alberta granted an Order (the “**Consent Receivership Order**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 and section 13(2) of the *Judicature Act*, RSA 2000, c J-2, whereby Alvarez & Marsal Canada Inc. was appointed receiver and manager (“**Receiver**”), without security, of all of People Express’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”) (such proceedings referred to herein as the “**Receivership Proceedings**”). For further information related to the Receivership Proceedings, please visit: www.alvarezandmarsal.com/PETL.

Further to our letter dated May 13, 2021, we are again writing to you concerning certain Property, specifically 2013 UTILITY 53’ TANDEM Trailer Unit# 1527 (VIN: 1UYVS2533CU389004) (the “**Stolen Property**”), which we understand is in your unlawful possession.

We understand that you informed the Receiver’s personnel that you received the Stolen Property for settlement of your outstanding invoices, pursuant to a Bill of Sale dated April 20, 2021 (the “**Bill of Sale**”). Further to the foregoing statement, the Receiver followed up with the three directors of People Express, namely, Charanpreet Brar, Gurpreet Brar and Gurbaj Sandhu (collectively, the “**Directors**”) to corroborate the foregoing statement. The Directors insist that this is not the case and have stated that they did not sign the Bill of Sale.

As such, we request that you provide a response to the Directors’ position forthwith, and we reiterate our request that you immediately return the Stolen Property and any other Property, documentation, and/or information owned or belonging to People Express in your possession, in compliance with the law and the Consent Receivership Order.

The Receiver remains prepared to resolve any disputes with you by direct discussion and mutual agreement, and therefore, the Receiver invites an immediate discussion.

We trust that you understand the serious (including, for certainty, criminal) nature of this matter; therefore, we look forward to receiving confirmation that you have made or arranged to return the Stolen Property within two (2) days of the date of this correspondence. Alternatively, the Receiver would be pleased to also make arrangements to pick up the Stolen Property.

If the Receiver does not receive the Stolen Property by that time, the Receiver will consider pursuing this matter further, including commencing legal proceedings to address these issues and enforcing its rights without further delay. The Receiver may also seek an order compelling the return of the Stolen Property, similar to the one that was granted by Mr. Justice Douglas R. Mah on May 25, 2021. While the draft form of Order is attached as Schedule "B" to the Receiver's Application, heard on May 25, 2021, which can be found on the Receiver's Website (under the "Motion Materials" heading), a signed copy of the noted Order will be posted to the Receiver's Website upon receipt of same.

If it is necessary for the Receiver to commence legal proceedings, the Receiver will seek compensation for all damages the Receiver has suffered including, but not limited to, compensation for costs incurred in pursuit of exercising its rights under the Consent Receivership Order, and for the full recovery of our legal fees. The Receiver hereby expressly reserves all available rights, remedies and claims in their entirety, any of which may be exercised or otherwise pursued at any time, and from time to time, in the sole and absolute discretion of the Receiver, as the case may be, in accordance with the law and in equity.

We trust that the foregoing is in order, but should you have any questions or concerns relating to the above, please do not hesitate to contact the undersigned to discuss the same.

Kindly govern yourselves accordingly.

Sincerely,



Kyle Kashuba

KDK/jw

cc: The Receiver, Alvarez & Marsal Canada Inc., Attention: Orest Konowalchuk, Cassie Riglin and Bryan Krol (via email)
Torys LLP, Attention: Jessie Mann (via email)

APPENDIX “F”

People Express Transport Ltd. - In Receivership
Summary of the Receiver's Fees & Disbursements
April 14, 2021 to June 18, 2021

Invoices subject to approval by this Court

Invoice No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
830743 - Invoice #2	May 8 to May 31, 2021	\$ 169,519.50	\$ 6,315.10	\$ 175,834.60	\$ 8,791.73	\$ 184,626.33
830743 - Invoice #3	June 1 to June 18, 2021	\$ 105,517.00	\$ -	\$ 105,517.00	\$ 5,275.85	\$ 110,792.85
Subtotal		\$ 275,036.50	\$ 6,315.10	\$ 281,351.60	\$14,067.58	\$ 295,419.18

Invoices previously approved by this Court

Invoice No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
830743 - Invoice #1	April 14 to May 7, 2021	\$ 260,404.00	\$ 964.72	\$ 261,368.72	\$13,068.44	\$ 274,437.16
Subtotal		\$ 260,404.00	\$ 964.72	\$ 261,368.72	\$13,068.44	\$ 274,437.16
TOTAL		\$ 535,440.50	\$ 7,279.82	\$ 542,720.32	\$27,136.02	\$ 569,856.34

People Express Transport Ltd. - In Receivership
Summary of the Receiver's Legal Counsel (Torys LLP) Fees & Disbursements
April 19, 2021 to June 18, 2021

Invoices subject to approval by this Court

Invoice No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
1539341	May 8 to May 31, 2021	\$ 73,855.50	\$ 1,035.50	\$ 74,891.00	\$ 3,733.80	\$ 78,624.80
1541196	June 1 to June 18, 2021	\$ 29,893.50	\$ 744.30	\$ 30,637.80	\$ 1,513.39	\$ 32,151.19
Subtotal		\$ 103,749.00	\$ 1,779.80	\$ 105,528.80	\$ 5,247.19	\$ 110,775.99

Invoices previously approved by this Court

Invoice No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
1536778	April 19 to April 30, 2021	\$ 49,912.50	\$ 82.85	\$ 49,995.35	\$ 2,498.65	\$ 52,494.00
1536782	April 19 to April 30, 2021	\$ -	\$ 260.12	\$ 260.12	\$ 12.26	\$ 272.38
1537178	May 1 to May 7, 2021	\$ 37,306.50	\$ 656.14	\$ 37,962.64	\$ 1,889.65	\$ 39,852.29
Subtotal		\$ 87,219.00	\$ 999.11	\$ 88,218.11	\$ 4,400.56	\$ 92,618.67
TOTAL		\$ 190,968.00	\$ 2,778.91	\$ 193,746.91	\$ 9,647.75	\$ 203,394.66

People Express Transport Ltd. - In Receivership**Summary of the Receiver's Legal Counsel (Mathews, Dinsdale & Clark LLP) Fees & Disbursements****April 14, 2021 to June 18, 2021****Invoices subject to approval by this Court**

Invoice No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
411269	Apr-21	\$ 968.00	\$ -	\$ 968.00	\$ 48.40	\$ 1,016.40
Subtotal		\$ 968.00	\$ -	\$ 968.00	\$ 48.40	\$ 1,016.40

Invoices previously approved by this Court

Invoice No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
Subtotal		\$ -	\$ -	\$ -	\$ -	\$ -

TOTAL	\$ 968.00	\$ -	\$ 968.00	\$ 48.40	\$ 1,016.40
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