

ONTARIO

SUPERIOR COURT OF JUSTICE

BETWEEN:

Crossdock Systems Inc.

Applicant

– and –

General Motors of Canada Company

Respondent

C. Calvert, for the Applicant

B. Brooksbank and D. Chu, for the
Respondent

HEARD: April 22, 2026

REASONS FOR DECISION

J.E. MILLS J.

[1] The Applicant, Crossdock Systems Inc. (“Crossdock”) seeks a determination of its rights to a possessory lien respecting certain storage containers belonging to the Respondent, General Motors of Canada Company (“GMCC”). Crossdock relies on s. 23(d) of the *Repair and Storage Liens Act*¹ (“*RSLA*”) to assert its rights. GMCC paid \$82,379.66 to its counsel to be held in trust pending the outcome of this application. The subject storage containers were then released and returned to GMCC.

[2] GMCC resists the application arguing that the express language of s. 1(2) of the *RSLA* denies Crossdock a possessory lien as against GMCC because Crossdock received the containers from a third party, Orbit Express Inc., (“Orbit”) who did not have the authority to act as agent for GMCC. It does not dispute that Crossdock may have lien claim rights but submits that any claim

¹ R.S.O. 1990, c. R.25

is properly against Orbit as the entity that deposited the containers without the knowledge or consent of GMCC. Crossdock is not pursuing its remedies against Orbit because in July 2024, Orbit was placed into receivership by a secured creditor. GMCC submits that Crossdock should stand as a creditor in the Orbit receivership but to date, no claim has been filed and Crossdock has not sought to be added to the list of creditors. The suggestion is that Crossdock is improperly claiming a possessory lien against GMCC as it is the only viable source of recovery for the unpaid storage fees.

[3] The *SRLA* defines “storer” as “a person who receives an article for storage or storage and repair on the understanding that the person will be paid for the storage or storage and repair, as the case may be.” “Lien claimant” is defined as “a person who is entitled to claim a lien for the repair, storage or storage and repair of an article.” Crossdock submits it meets the test required to be a “storer” and a “lien claimant” as it stored the containers, and it has not been paid for doing so. Therefore, it claims a possessory lien with respect to the containers.

[4] GMCC submits Crossdock never had a possessory lien as it failed to satisfy the legislative framework for a third-party lien when it took possession of GMCC’s property through Orbit, which was acting as an intermediary without the knowledge or consent of GMCC.

Legal Principles

[5] The relevant sections of the *SRLA* are as follows:

Repair, etc., by third party

1 (2) The following rules apply where an article is left for repair, storage or storage and repair and the article is forwarded by the person with whom the article is left to some other person for the repair, storage or storage and repair:

1. The person with whom the article was left shall be deemed to have performed the services and to be entitled to the rights of a repairer or storer against the person who left the article unless,
 - i. there is a written agreement between the person who left the article and the person with whom it was left that there is no lien, or
 - ii. the person with whom the article was left has agreed to act as agent for the person who left the article in forwarding it to an identified repairer or storer for the repair, storage or storage and repair.

2. Unless subparagraph ii of paragraph 1 applies, the person to whom the article was forwarded does not have a lien under this Act.

[...]

When lien arises

4(3) A storer's lien arises and takes effect when the storer receives possession of the article for storage or storage and repair ...

Notice to owner, etc., articles of prescribed class

4 (4) Where the storer knows or has reason to believe that possession of an article that is subject to a lien was received from a person other than its owner or a person having its owner's authority, the storer, within 60 days after the day of receiving the article, shall give written notice of the lien to every person whom the storer knows or has reason to believe is the owner or has an interest in the article, including every person who has a security interest in the article that is perfected by registration under the *Personal Property Security Act* against the name of the person whom the storer knows or has reason to believe is the owner. 2014, c. 9, Sched. 4, s. 3 (3).

[...]

Effect of failure to give notice, articles

(6) Where a storer fails to give the notice required by subsection (4),
 (a) the storer's lien as against the person who should have been given the notice is limited to the unpaid amount owing in respect of the period of 60 days from the day that the article was received; and
 (b) the storer shall surrender possession of the article to that person where the person proves a right to possession and pays that unpaid amount. 2014, c. 9, Sched. 4, s. 3 (3).

[...]

Acknowledgment of indebtedness required

7(5) A non-possessory lien is enforceable only if the lien claimant obtains a signed acknowledgment of the indebtedness which acknowledgment may be on an invoice or other statement of account.

[6] A storage lien arises when an article is placed with the storer with the understanding the storer would be paid for the storage of that article. The lien is automatic and enforceable once the

storer takes possession of the article, and it continues until the amount of the lien has been paid in full. The lien arises automatically by compliance with the provisions of the *RSLA*.²

[7] When the article is deposited by its owner with a storer who then acts as an intermediary by forwarding the article to another storer, the lien will be enforceable against the owner of the article if it can be established that the intermediary had agreed to act as agent for the owner. If the intermediary was not acting as agent for the owner, the storer will have no lien rights under the *RSLA*.³ A lien cannot be imposed upon an owner who had no knowledge of the wrongful dealings with its property or of the lien claim.⁴

[8] To establish agency in this context, it must be shown that both the owner and the intermediary agreed on the actual authority to be exercised by the intermediary on behalf of the owner. The agency is effective where there is a “manifestation of consent” by the owner in writing or by conduct that the intermediary should act on behalf of the owner to affect their legal position by the making of contracts or the disposition of property.⁵

[9] Pursuant to s. 4(4) of the *RSLA*, if the storer has reason to believe that the person delivering the article for storage is not the owner of the article or that the person is acting without the authority of the owner, to preserve its lien rights the storer is required within sixty days of receiving the article to provide notice of a lien to every person who is known to be or is reasonably believed to be the owner.⁶ Section 4(5) sets out the mandatory contents of the notice to be delivered. If the storer fails to provide the appropriate notice, the storer’s lien will be limited to the unpaid amount owing only for the sixty days following receipt of the article.

² *Connolly v. Adantagewon Inc.*, 2015 ONCA 709, at para. 19.

³ *Scott & Pichelli Ltd. v. Eveley International Corp.*, 2013 ONSC 4058, at para. 25.

⁴ *Resin Systems Inc. v. Global Composite Manufacturing Inc.*, 2008 CarswellOnt 7873 (SCJ), at para. 12.

⁵ *1196303 Inc. v. Glen Grove Suites Inc.*, 2015 ONCA 580, at paras. 69 & 70; *Applewood Place Inc. v. Peel Condominium Corp. No. 516*, 2003 CarswellOnt 3148 (SCJ), at para. 37.

⁶ *Mr. Towing Inc. v. Mercedes-Benz Financial Services Canada Corp.*, 2020 ONSC 3223, at para. 35; *2237446 Ontario Inc. (409 Collision Centre) v. Intact Insurance*, 2018 ONCA 394, at para. 9.

Issue to be Determined and Facts to be Considered

[10] There is one question to be answered – does Crossdock have a valid possessory or non-possessory lien in respect of the 510 storage containers owned by GMCC for which \$82,379.66 has been paid into trust by GMCC for their release?

[11] The parties are generally in agreement as to, or at least do not substantively dispute, the underlying facts of this matter. The essential facts are as follows:

- a. GMCC owns storage containers to facilitate its manufacturing operations. Vehicle parts are put into the containers and delivered to a GMCC manufacturing facility. Once emptied, the containers are delivered to the parts supplier to once again fill with GMCC parts. To ensure reliable operations, the parent company of GMCC, General Motors Holdings LLC (“GMH”) contracts with a transportation management and logistics services company, Ryder Integrated Logistics, Inc. (“Ryder”) to provide third-party logistics services. Ryder then contracted with Orbit Express Inc. (“Orbit”), a GMH approved carrier, to subcontract the provision of motor carrier transportation services of the GMCC containers (the “Orbit Agreement”).
- b. The Orbit Agreement is based on a standard template. It provides that Orbit will perform the motor carrier transportations services for GMH and its affiliates. It also states that Orbit and GMH are independent contracting parties and nothing in the Orbit Agreement shall make either party the agent of the other for any purpose whatsoever. Neither party has the authority to assume or to create any obligation on behalf of or in the name of the other.
- c. Orbit then contracted with Crossdock to store certain property at its warehouse facility. The property was the GMCC containers, each of which had a tag indicating it was owned by GMCC. Crossdock did not know and made no inquiries as to the owner of the containers at the time they were delivered for storage. It knew Orbit

did not own the containers, but it had no reason to believe Orbit was acting without the full knowledge and authority of the owner.

- d. Crossdock invoiced Orbit for its storage services. GMCC first became aware its containers were being held at the Crossdock facilities on May 16, 2024, when Crossdock sent an email advising that Orbit had moved the containers to the Crossdock facility and had failed to pay their invoices. Crossdock admits that prior to May 16, 2024, it had no contact with GMCC, it had received no request by GMCC to store its containers, and there was no agreement, written or oral, between GMCC and Crossdock.
- e. GMCC demanded the release of the containers by July 5, 2024, advising that it did not direct or consent to the containers being moved to the Crossdock premises, nor did it have any contractual or legal relationship with Crossdock. GMCC threatened legal proceedings if the containers were not released. Crossdock refused to release the containers until its invoices were paid in full.
- f. GMCC commenced its threatened legal action and brought an urgent motion to recover the containers. The parties signed Minutes of Settlement dated September 16, 2024 (the “Minutes”) which provided that upon payment by GMCC to its lawyer’s trust account of \$82,379.66, the containers would be released without prejudice to Crossdock commencing a proceeding to determine its rights to the funds paid into trust. GMCC paid the money into trust, recovered the containers, and discontinued its action against Crossdock with prejudice and without costs. It is admitted the containers were released without any damage, loss, or theft.

RPLA Lien Claims

[12] GMCC submits that Crossdock cannot assert a possessory lien against the containers pursuant to s. 1(2) of the *RSLA*. The accepted chain of events was that GMCC placed its containers in the possession of Ryder, who then subcontracted to Orbit, who then further subcontracted with Crossdock. Although Orbit was a GMCC approved company to provide transportation services, it

was not an authorized agent of GMCC. Crossdock was not known to, nor was it approved by GMCC to provide any services, storage or otherwise. Although Orbit was properly in possession of the GMCC containers for transportation services, it did not act as agent for GMCC when storing them with Crossdock. It did not have authority to do so.

[13] Crossdock agrees it does not have lien claim rights under s. 1(2) on the basis the provision does not apply to the facts of this case. It accepts that Orbit was only engaged to provide transportation services for GMCC. Orbit was never a storer of the containers and therefore did not forward them as an intermediary to Crossdock for storage.

[14] Rather, Crossdock relies on the provisions of s. 4(3) of the *RSLA* to assert its lien rights.

[15] Crossdock submits it had a valid possessory lien from the time the containers were delivered to its premises and now has a charge against the trust funds held with GMCC's counsel. GMCC refutes that Crossdock ever had a lien over its containers, possessory or non-possessory, as the containers were deposited by Orbit without the knowledge or consent of GMCC.

[16] Crossdock submits that a lien attaches to the article, and that any action in respect of a lien is *in rem* against the article, not *in personam* against the debtor. The lien right arises immediately upon the article being deposited for storage.

[17] In the usual case, the lien claim would be asserted against the owner of the article as the person who authorized storage of the article, either directly or by agency. Protections are provided in the *RSLA* to owners who have no knowledge that their article is being stored by another. A lien cannot be asserted to impose liability against an owner who is unaware their property has been wrongfully stored by a stranger with no property interest in the article and no express or implied authority from the owner.⁷

[18] This principle underlies the notice requirements under s. 4(4) of the *RSLA*.

⁷ 858579 *Ontario Inc. v. QAP Parking Enforcement Ltd.*, 1995 CanLII 10673 (ON CTGD).

[19] I do not accept GMCC's submission that s.4(4) applies only in situations where the article is subject to a lien prior to being deposited for storage. To read s. 4(4) in this way results in an unduly narrow interpretation of the rights afforded by the provision. Its intention is to offer protection to owners from indeterminate liability for storage fees when their property has been placed for storage without their knowledge or consent.

[20] A more principled interpretation of the provision is that the lien arises immediately upon the article being received for storage. Once the article is subject to the lien claim, where the storer knows or has reason to believe that the article was received from a person other than its owner or a person acting with the authority of the owner, notice must be provided to all persons who own or have a security interest in the article. The notice alerts all interested persons that the storer is exerting lien rights against the article.

[21] The Orbit Agreement expressly provides that Orbit is not an agent for GMCC. Orbit was not given the authority to affect the legal rights of GMCC. Orbit was not authorized to enter contracts or assume liabilities on behalf of GMCC. There is no evidence to support that Orbit was acting as an agent for GMCC when it deposited the containers for storage. In fact, there is strong evidence to the contrary.

[22] However, Orbit was lawfully in possession of the containers. It was not a perfect stranger acting without any authority. Ryder had contracted with Orbit. Ryder had the express authority of GMH to provide transportation management services respecting the GMCC containers. Orbit was not a rogue actor dealing of its own accord with the containers. It took its authority from Ryder who took its authority from GMH, the parent company of GMCC.

[23] I am satisfied therefore that Crossdock did acquire a possessory lien over the containers when they were deposited by Orbit at the Crossdock facility. The notice requirements under s. 4(4) of the *RSLA* were then activated.

[24] Crossdock's own evidence is that it knew Orbit did not own the containers but made no inquiries as to the owner when the containers were first delivered. Each of the containers had a tag identifying GMCC as the owner. Crossdock admits the tags were not examined until Orbit

defaulted on payment of the issued invoices and then ceased all communications. Crossdock assumed Orbit had authority to deliver the containers for storage, but it had no basis on which to assume GMCC had provided its consent to the storage of the containers. It had no basis on which to believe Orbit was authorized to act as an agent for GMCC.

[25] Crossdock relies on s. 4(4) to assert its lien rights submitting it had no reason to believe that Orbit lacked GMCC's authority to deposit the containers for storage. That may be true, however Crossdock admits it knew from the time the containers were delivered that they were not owned by Orbit. That fact alone triggers the sixty-day notice obligation under s. 4(4) of the *RSLA*.

[26] The requirement is that the storer knows the article is not owned by the entity delivering it or that the storer had no reason to believe the article was received without the authority of the owner. A plain reading of s. 4(4) suggests the "or" in the provision is conjunctive such that either situation may apply to give rise to the notice requirement.

[27] It is sufficient to establish that Crossdock received the containers for storage knowing that Orbit was not the owner of the containers. In the circumstances, it is not relevant that Crossdock had no reason to believe Orbit was in possession of the containers without the consent of the owner. That does not relieve Crossdock of providing notice within sixty days to the owner of the article and to every other person with a security interest in the article.

[28] I appreciate that a significant part of Crossdock's business is the short-term storage of articles and that it would be very difficult if not logistically impossible to undertake the effort of verifying the articles are being received from the owner or from an entity with the owner's authority. That is however what is required to obtain full lien rights against the articles. Otherwise, Crossdock is limited to protecting only the amount owing for the sixty-day period following receipt of the article. This is the statutory trade-off to ensure owners are not exposed to indeterminate risk where their property is being stored without their knowledge or consent.

[29] Crossdock admits its first contact with GMCC was on May 16, 2024, when it sought assistance to collect the storage debt owed by Orbit. There is no evidence Crossdock delivered the requisite sixty-day notice required under s. 4(4) of the *RSLA* to assert a possessory lien against

GMCC. Nor is there evidence that informal notice was provided to GMCC that would have otherwise complied with the requirements of s. 4(5) of the *RSLA*.

[30] Having failed to provide notice to GMCC as the owner of the containers, when it knew on delivery that Orbit was not the owner, s. 4(6) of the *RSLA* limits Crossdock's claim for a possessory lien to the first sixty days of storage. It then follows that Crossdock has a charge for this amount over the funds paid by GMCC into trust for the release of the containers.

[31] Pursuant to s. 24 of the *RSLA*, an owner may pay into court the amount of a disputed debt for the release of the article over which a lien has been asserted, and a possessory lien then becomes a charge against the funds paid into court. The parties effectively availed themselves of this relief but with the payment being made to GMCC's counsel in trust.

[32] The payment was made to end the ongoing accrual of storage fees and to allow for the release of the containers to GMCC while the lien rights of Crossdock were determined. The amount paid by GMCC was as "asserted" by Crossdock to be owed.

[33] The Minutes signed by the parties to resolve the GMCC action against Crossdock expressly state that there is no admission of liability on the part of either party and that liability is specifically denied. The payment by GMCC into trust is not an acknowledgment that it owes a debt to Crossdock. The payment was made to take advantage of the relief offered by s. 24 of the *RSLA* but with payment being made into trust rather than into court to simplify and expedite the process. The payment was made to allow GMCC to carry on its business while the lien rights of Crossdock were determined. The payment was not made as an admission of a debt.

[34] This is important because s. 7(5) of the *RSLA* provides that a non-possessory lien is enforceable only if the lien claimant obtains a signed acknowledgment of the indebtedness. Crossdock does not have a signed acknowledgment from GMCC of an indebtedness. In fact, there are many written communications by GMCC through its counsel expressly denying any liability for the debt owed to Crossdock for the storage services provided under the Orbit Agreement.

[35] To advance a claim for a non-possessory lien, Crossdock must rely on the Minutes as an admission or acknowledgment of the debt. On a simple reading of the terms, the Minutes are not an admission, nor an acknowledgment of any debt owed by GMCC. Therefore, Crossdock has no non-possessory lien rights against the trust funds as it has failed to meet the threshold statutory requirement under s. 7(5) of the *RSLA*.

Conclusions and Costs

[36] Crossdock is entitled to a possessory lien respecting the containers but is limited to recover from the trust funds only the amount invoiced for the first sixty days of storage. There are no lien rights with respect to any other services that may have been provided, excepting repairs for which there is no evidence of any repairs having been done to the containers. Crossdock may seek to advance a claim as a creditor in the receivership of Orbit for the balance of the amounts owing on its invoices.

[37] The parties exchanged offers to settle this application however, neither can be said to have obtained a result equal to or better than the extended offer. Both approached this matter largely as an “all or nothing” scenario. In the circumstances, as there has been mixed success, there shall be no order as to costs.

J. E. Mills J.

Date: May 28, 2026

CITATION: Crossdock Systems Inc. v. General Motors of Canada Co., 2026 ONSC 3141
COURT FILE NO.: CV-25-1323
DATE: 2026-05-28

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REASONS FOR DECISION

J.E. MILLS J.

Released: May 28, 2026