

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

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF PRIDE GROUP HOLDINGS INC. and those
Applicants listed on Schedule "A" hereto (each, an "**Applicant**", and
collectively, the "**Applicants**")

**FACTUM OF THE MANAGER
(Second Amended Syndicate Collateral Management Order)**

February 3, 2025

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TO: THE SERVICE LIST

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PART I - OVERVIEW

1. Alvarez & Marsal Canada Inc. (“**A&M**”), in its capacity as the Court-appointed manager (the “**Manager**”), seeks an order (the “**Second Amended Syndicate Collateral Management Order**”) substantially in the form included at Tab 3 of the Manager’s Motion Record dated January 30, 2025.

2. Among other things, the proposed Second Amended Syndicate Collateral Management Order: (i) expands the definition of Management Property as currently defined in the Amended Syndicate Collateral Management Order (as defined below); and (ii) confirms the Manager’s authority to sell such additional property free and clear of all claims and encumbrances and vesting title in such assets to applicable third-party purchasers.

3. The Manager seeks the relief set out above *nunc pro tunc* to October 17, 2024, to ensure that it has the benefit of all the protections currently provided under the prior orders of this Court.

PART II - FACTS

4. The facts with respect to this motion are more fully set out in the First Report of the Manager dated January 30, 2025 (the “**Manager’s Report**”).¹ Capitalized terms used herein but not otherwise defined have the meanings ascribed to them in the Manager’s Report or the proposed Second Amended Syndicate Collateral Management Order.

A. Background

5. On March 27, 2024, Pride Group Holdings Inc. and those entities listed as “Applicants” in Schedule “A” hereto (collectively, the “**Applicants**” and with the limited partnerships, the

¹ First Report of Alvarez and Marsal Canada Inc. dated January 30, 2025 (“[Manager’s Report](#)”); Motion Record of the Manager dated January 30, 2025 (“[Motion Record](#)”), at Tab 2.

“**Pride Entities**”) were granted protection under the CCAA pursuant to an initial order (as subsequently amended) of the Ontario Superior Court of Justice (Commercial List).²

6. To address competing secured claims with respect to certain vehicles owned, leased or operated by the Pride Entities, on June 14, 2024, the Court granted an Order (the “**Entitlement Claims Process Order**”) establishing procedures to determine the priority of competing claims and granting other corollary relief.³

7. On August 8, 2024, the Court granted an Order (the “**Securitized Assets Turn-Over Order**”) which provides, *inter alia*, a process to transition and relinquish servicing and other duties under certain securitization programs, where the outcome of the Monitor’s proprietary interest assessment with respect to the applicable securitization funder’s (the “**Securitization Party**”) ownership entitlement to such assets is favourable, to the Securitization Party.⁴

8. On October 10, 2024, the Court granted an Order (the “**Recourse Lender Turn-Over Order**”) providing, *inter alia*, a process to turn-over Remaining Assets to the applicable Recourse Lenders and for such Remaining Assets (each as defined in the Recourse Lender Turn-Over Order) to be sold free and clear from any claims and encumbrances.⁵

9. On October 17, 2024, Royal Bank of Canada (“**RBC**”), in its capacity as administrative agent for and on behalf of itself and other lenders party to the Fourth Amended and Restated Credit Agreement dated May 10, 2024 (together, in such capacity, the “**Syndicate Lenders**”) sought and obtained an Order (the “**Syndicate Collateral Management Order**”) appointing A&M as the Court-appointed collateral manager of the Management Property (as initially defined in the Syndicate Collateral Management Order) and authorizing the Manager to take steps to, among

² Manager’s Report, [Paragraph 1.1.](#)

³ Manager’s Report, [Paragraph 1.2.](#)

⁴ Manager’s Report, [Paragraph 1.3.](#)

⁵ Manager’s Report, [Paragraph 1.4.](#)

other things, collect and dispose of the Management Property in accordance with the Recourse Lender Turn-Over Order.

10. On November 1, 2024, on the motion of RBC in its capacity as Bilateral Lender (“**RBC Bilat**”), the Court granted an Order amending the Syndicate Collateral Management Order (the “**Amended Syndicate Collateral Management Order**”) and expanding the definition of Management Property to authorize the Manager to provide assistance to RBC Bilat.⁶

11. On January 15, 2025, the Court granted an order approving Turnover Costs and Final Retrieval Deadline and Authorizing NCI to Sell Remaining Assets, (the “**Securitized Assets Order**”) authorizing the Pride Entities’ sale agent to sell certain assets located on the Pride Entities’ property.⁷

B. Manager’s Mandate

12. The Syndicate Lenders have worked to resolve entitlement disputes with respect to Multiple Collateral Vehicles, (both with other Recourse Lenders and with Securitization Parties), and have entered into agreements (“**MCV Resolution Agreements**”) that provide for the Manager to take possession and dispose of certain Multiple Collateral Vehicles. The MCV Resolution Agreements contemplate the Manager taking possession of 342 vehicles.⁸

13. The MCV Resolution Agreements provide for: (i) final resolution in respect of 217 VINs where entitlement determination has been reached as between the Syndicate Lenders and the relevant counterparty; and (ii) the process for disposition of 125 VINs where entitlement remains subject to further Court order. In each case, the MCV Resolution Agreements require the addition

⁶ Manager’s Report, [Appendix “A”](#).

⁷ Manager’s Report, [Paragraph 4.9](#).

⁸ Manager’s Report, [Paragraph 4.3](#).

of the applicable VINs to Schedule B to the Amended Syndicate Collateral Management Order. The Monitor has approved the MCV Resolution Agreements.⁹

14. The Amended Syndicate Collateral Management Order, by incorporating the terms of the Recourse Lender Turn Over Order, excludes assets where a Securitization Party has asserted a claim from the definition of “Management Property.”¹⁰

15. In addition, in the course of collecting the vehicles on Schedule “B” of the Amended Syndicate Collateral Management Order, the Manager has learned that certain vehicles that may have been previously part of a securitization program are not titled to the Pride Entities but are instead titled in the name of a special purpose vehicle.¹¹

16. While the Manager understands that these vehicles were historically retitled by Pride in the ordinary course, there are presently six vehicles that have been turned over to the Manager that have not yet been retitled to the applicable Pride Entity.¹²

17. The Manager’s authority to sell “Management Property” is tied to the Recourse Lender Turn-Over Order. The Manager is being asked by the Financiers to liquidate certain VINs that do not strictly fit within the terms of the existing powers and therefore requires clarification from the Court on the scope of its mandate.

PART III - ISSUES

18. The issue on this motion is whether the Court should amend the Amended Syndicate Collateral Management Order to:

⁹ Manager’s Report, [Paragraph 4.4.](#)

¹⁰ Manager’s Report, [Paragraph 4.5.](#)

¹¹ Manager’s Report, [Paragraph 4.6.](#)

¹² Manager’s Report, [Paragraph 4.6.](#)

- (a) revise the definition of Management Property to include additional Pride assets and interests that have been agreed to by the relevant Financiers and the Monitor; and
- (b) confirm the Manager's authority to sell Management Property on terms consistent with the prior orders of this Court.

PART IV - LAW AND ARGUMENT

A. "Management Property" should be revised

19. This motion seeks to make minor amendments to the Amended Syndicate Collateral Management Order to facilitate the turn-over of assets as agreed by the secured parties. The Amended Syndicate Collateral Management Order was drafted with reference to the Recourse Lender Turn Over Order. As such, the current definition of Management Property is limited to Remaining Assets, which excludes assets where a Securitization Party has asserted an interest. In order to accommodate the MCV Resolutions, the Amended Syndicate Collateral Management Order must be further revised.

20. Section 11 of the CCAA confers broad discretion on the Court to make "any order that it considers appropriate in the circumstances."¹³ This discretion is the engine that drives the CCAA's flexible statutory scheme, allowing courts to craft orders responsive to the circumstances of each case that advance the CCAA's remedial objectives.¹⁴ An order under section 11 of the CCAA will be appropriate where it advances the policy objectives underlying the statute.¹⁵ These objectives include providing a "timely, efficient and impartial resolution of a debtor's insolvency".¹⁶

¹³ [Companies Creditors Arrangement Act](#) ("CCAA"), c. C-36, s. 11.

¹⁴ 269354-9186 *Québec Inc. v Callidus Capital Corp*, [2020 SCC 10](#) ("*Callidus*") at para 48; *Stelco Inc., Re*, [2005 CanLII 8671, 75 O.R. \(3d\) 5 \(Ont. C.A.\)](#) at para 36.

¹⁵ *Callidus* at para 70.

¹⁶ *Callidus* at para 40.

21. The amended definition of Management Property sought by the Manager is set out in paragraph 4.7 of the Manager's Report and is a logical extension of the prior Court orders set out in detail above.

22. The proposed definition of Management Property includes any additional vehicles (including Multiple Collateral Vehicles involving a Securitization Party) regardless of whether such asset or interest is titled to a Pride Entity that may be turned over to the Syndicate Lenders or RBC Bilat (or to the Manager as designee of the Syndicate Lenders or RBC Bilat) from time to time pursuant to the Recourse Lender Turn-Over Order (including any MCV Turn-Over Resolution), Securitized Asset Turn-Over Order (including any MCV Servicing Agreement), Entitlement Claims Process Order, or other order of the Court.

23. The modifications requested will avoid confusion about the scope of the Manager's mandate that may otherwise arise as a result of the amendments to Schedule "B", including with respect to vehicles that have already been turned over to the Manager.¹⁷

24. By making the Second Amended Syndicate Collateral Management Order, this Court will further the CCAA's remedial objectives in a manner that allows the Manager to realize on the assets for the benefit of creditors in a timely and efficient manner and as requested by the applicable Financiers.

B. The Court should authorize the Manager to sell Management Property free and clear of any claims and encumbrances

25. Pursuant to sections 11 and 36 of the CCAA, the Court may order that property be sold free and clear of charges, liens and restrictions of any kind.¹⁸

¹⁷ [Rule 59.01](#) of the [Rules of Civil Procedure](#) provides: "[a]n order is effective from the date on which it is made, unless it provides otherwise". CCAA Courts routinely make grant relief on a *nunc pro tunc* basis in CCAA proceedings. For example, courts have granted *nunc pro tunc* relief under section 11 of the CCAA and where it provides stability and certainty to stakeholders (see [Endorsement of Justice Conway](#), March 20, 2023 at para 8).

¹⁸ *Laurentian University of Sudbury*, 2023, [ONSC 632](#) at [paras 11-15](#); *Pigeon Lake Golf Club (1991) Holdings Ltd v Greene*, [2019 ABQB 718](#) at [paras 15-17](#).

26. In this motion, the Manager seeks vesting language confirming that it may sell Management Property (as that term is defined in the Second Amended Syndicate Collateral Management Order) free and clear of any claims and encumbrances.

27. Section 36 of the CCAA governs asset sales outside the ordinary course of business and sets out factors that the Court should consider when determining whether to approve an asset sale.¹⁹ Factors the court examines under section 36 of the CCAA include: (i) whether the process leading to the proposed sale or disposition was reasonable in the circumstances; (ii) whether the Monitor approved the process leading to the proposed sale or disposition; (iii) whether the Monitor filed with the Court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy; (iv) the extent to which the creditors were consulted; (v) the effects of the proposed sale or disposition on the creditors and other interested parties; and (vi) whether the consideration received for the assets is reasonable and fair.²⁰

28. In this case, the Court should grant requested the vesting language contained within the Second Amended Syndicate Collateral Management Order because, among other reasons outlined in the Manager's Report:

- (a) the Manager is unaware of any opposition to the proposed amendments that are the subject of this motion;
- (b) the Recourse Lender Turn-Over Order already provides for vesting language with respect to Remaining Assets. Certain of the Multiple Collateral Vehicles are excluded from the Recourse Lender Turn-Over Order vesting provisions because the other secured party is a Securitization Party. However, for each of the MCV Resolutions, either: (i) there is an agreement that entitlement sits with the

¹⁹ CCAA, [s 36\(3\)](#).

²⁰ CCAA, [s 36\(3\)](#); *Sanjel Corporation (Re)*, 2016 [ABQB 257](#) at [para 54](#).

Syndicate Lenders; or (ii) the parties have agreed that the Manager should take possession and monetize the asset. But for the carve-out in the Recourse Lender Turn-Over Order, no additional vesting language would be necessary to address these VINs;

- (c) with respect to assets titled to the special purpose entities, the Manager understands that such vehicles would, in the ordinary course, have been transferred to the applicable Pride Entity. The Manager expects that these VINs will be retitled in due course but seeks the amended language to confirm its authority to take possession of and manage such assets and to dispose of these assets if the Pride Entities do not complete the retitling process. The requested authority is substantially similar to the authority granted to NCI in the Securitized Assets Order in respect of assets which were not collected from the Pride lots by the relevant deadlines.²¹ In this instance, the Financiers are opting to have the Manager exercise substantially the same powers as NCI.; and
- (d) the Syndicate Lenders and other Financiers with interests in the Multiple Collateral Vehicles and/or the vehicles titled to SPVs have consented to the Manager disposing of same.²²

29. The requested amendments within the Second Amended Syndicate Collateral Management Order, would provide third-party purchasers with assurance that any sale of property will be free and clear of encumbrances. Further, the requested amendments will provide assurance to the Manager that it is carrying out its mandate in accordance with the direction of this Court.

²¹ [Order of Justice Osborne dated January 15, 2025](#), *Pride Group Holdings Inc.*, Court File No. CV-24-00717340-00CL at paras 15; [Order of Justice Black dated May 3, 2024](#), *Ted Baker Canada Inc.*, Court File No. CV-24-00718993-00CL at Schedule "A", paras 9-10.

²² Manager's Report, [Paragraph 4.3](#).

PART V - ORDER REQUESTED

30. For the reasons set out above, the Manager requests that this Court grant the Order, substantially in the form included at Tab 3 of its Motion Record.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 3rd day of February, 2025.

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Court-Appointed Manager

SCHEDULE “A” APPLICANTS

A. APPLICANTS

Operating Entities

Canadian Operating Entities

- PRIDE TRUCK SALES LTD.
- TPINE TRUCK RENTAL INC.
- PRIDE GROUP LOGISTICS LTD.
- PRIDE GROUP LOGISTICS INTERNATIONAL LTD.
- TPINE LEASING CAPITAL CORPORATION
- DIXIE TRUCK PARTS INC.
- PRIDE FLEET SOLUTIONS INC.
- TPINE FINANCIAL SERVICES INC.
- PRIDE GROUP EV SALES LTD.

U.S. Operating Entities

- TPINE RENTAL USA, INC.
- PRIDE GROUP LOGISTICS USA, CO.
- ARNOLD TRANSPORTATION SERVICES, INC.
- DIXIE TRUCK PARTS INC.
- TPINE FINANCIAL SERVICES CORP.
- PARKER TRANSPORT CO.
- PRIDE FLEET SOLUTIONS USA INC.

Real Estate Holding Companies

Canadian Real Estate Holding Companies

- 2029909 ONTARIO INC.
- 2076401 ONTARIO INC.
- 1450 MEYERSIDE HOLDING INC.
- 933 HELENA HOLDINGS INC.
- 30530 MATSQUI ABBOTSFORD HOLDING INC.
- 2863283 ONTARIO INC.
- 2837229 ONTARIO INC.
- 2108184 ALBERTA LTD.
- 12944154 CANADA INC.
- 13184633 CANADA INC.
- 13761983 CANADA INC.
- 102098416 SASKATCHEWAN LTD.
- 177A STREET SURREY HOLDING INC.
- 52 STREET EDMONTON HOLDING INC.
- 84 ST SE CALGARY HOLDINGS INC.
- 68TH STREET SASKATOON HOLDING INC.
- 3000 PITFIELD HOLDING INC.

U.S. Real Estate Holding Companies

- PGED HOLDING, CORP.
- HIGH PRAIRIE TEXAS HOLDING CORP.
- 131 INDUSTRIAL BLVD HOLDING CORP.
- 59TH AVE PHOENIX HOLDING CORP.
- DI MILLER DRIVE BAKERSFIELD HOLDING CORP.
- FRONTAGE ROAD HOLDING CORP.
- ALEXIS INVESTMENTS, LLC
- TERNES DRIVE HOLDING CORP.
- VALLEY BOULEVARD FONTANA HOLDING CORP.
- HIGHWAY 46 MCFARLAND HOLDING CORP.
- TERMINAL ROAD HOLDING, CORP.
- BISHOP ROAD HOLDING CORP.
- OLD NATIONAL HIGHWAY HOLDING CORP.
- 11670 INTERSTATE HOLDING, CORP.
- 401 SOUTH MERIDIAN OKC HOLDING CORP.
- 8201 HWY 66 TULSA HOLDING CORP.
- EASTGATE MISSOURI HOLDING CORP.
- FRENCH CAMP HOLDING CORP.
- 87TH AVENUE MEDLEY FL HOLDING CORP.
- LOOP 820 FORT WORTH HOLDING CORP.
- 162 ROUTE ROAD TROY HOLDING CORP.
- CRESCENTVILLE ROAD CINCINNATI HOLDING CORP.
- MANHEIM ROAD HOLDING CORP.
- 13TH STREET POMPAÑO BEACH FL HOLDING CORP.
- EAST BRUNDAGE LANE BAKERSFIELD HOLDING CORP.
- CORRINGTON MISSOURI HOLDING CORP.
- 963 SWEETWATER HOLDING CORP.
- OAKMONT DRIVE IN HOLDING CORP.

Other Holding Companies

Other Canadian Holding Companies

- 2692293 ONTARIO LTD.
- 2043002 ONTARIO INC.
- PRIDE GROUP HOLDINGS INC.
- 2554193 ONTARIO INC.
- 2554194 ONTARIO INC.
- PRIDE GROUP REAL ESTATE HOLDINGS INC.
- 1000089137 ONTARIO INC.

Other U.S. Holding Companies

- COASTLINE HOLDINGS, CORP.
- PARKER GLOBAL ENTERPRISES, INC.
- DVP HOLDINGS, CORP.

B. LIMITED PARTNERSHIPS*U.S. Limited Partnerships*

- PRIDE TRUCK SALES L.P.
- TPINE LEASING CAPITAL L.P.
- SWEET HOME HOSPITALITY L.P.

C.ADDITIONAL STAY PARTIES*Canadian Additional Stay Parties*

- BLOCK 6 HOLDING INC.
- 2500819 ONTARIO INC.

U.S. and Other Additional Stay Parties

- PERGOLA HOLDINGS, CORP.
- PRIDE GLOBAL INSURANCE COMPANY LTD.

**SCHEDULE “B”
LIST OF AUTHORITIES**

1. *269354-9186 Québec Inc. v Callidus Capital Corp*, 2018 SCC 47.
2. *Stelco Inc., Re*, 2005 CanLII 8671, 75 O.R. (3d) 5 (Ont. C.A.).
3. *Pigeon Lake Golf Club (1991) Holdings Ltd v Greene*, 2019 ABQB 718
4. *Laurentian University of Sudbury*, 2023, ONSC 632
5. *Sanjel Corporation (Re)*, 2016 ABQB 257
6. *Target Canada Co. (Re)*, 2015 ONSC 846
7. *Pride Group Holdings Inc.*, Order of Justice Osborne dated January 15, 2025
8. *Ted Baker Canada Inc*, Order of Justice Black dated May 3, 2024.

SCHEDULE “C”
TEXT OF STATUTES, REGULATIONS & BY - LAWS

Rules of Civil Procedure, R.R.O. 1990, Reg. 194

Effective Date

59.01 An order is effective from the date on which it is made, unless it provides otherwise. R.R.O. 1990, Reg. 194, r. 59.01.

Companies’ Creditors Arrangement Act, R.S.C. 1985, c C-36

General Power of Court

11 Despite anything in the Bankruptcy and Insolvency Act or the Winding-up and Restructuring Act, if an application is made under this Act in respect of a debtor company, the court, on the application of any person interested in the matter, may, subject to the restrictions set out in this Act, on notice to any other person or without notice as it may see fit, make any order that it considers appropriate in the circumstances.

Restriction on disposition of business assets

36 (1) A debtor company in respect of which an order has been made under this Act may not sell or otherwise dispose of assets outside the ordinary course of business unless authorized to do so by a court. Despite any requirement for shareholder approval, including one under federal or provincial law, the court may authorize the sale or disposition even if shareholder approval was not obtained.

Factors to be considered

- (3)** In deciding whether to grant the authorization, the court is to consider, among other things,
- (a)** whether the process leading to the proposed sale or disposition was reasonable in the circumstances;
 - (b)** whether the monitor approved the process leading to the proposed sale or disposition;
 - (c)** whether the monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;
 - (d)** the extent to which the creditors were consulted;
 - (e)** the effects of the proposed sale or disposition on the creditors and other interested parties; and
 - (f)** whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF **PRIDE GROUP HOLDINGS INC.** et al (each, an "**Applicant**", and collectively, the "**Applicants**")

Court File No. CV-24-00717340-00CL

**ONTARIO
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Proceeding commenced at Toronto

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