



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

ENDORSEMENT

COURT FILE NO.: CV-24-00728055-00CL
CV-24-00717340-00CL

DATE: Tuesday January 13, 2026

NO. ON LIST: 2

TITLE OF PROCEEDING:

**ROYAL BANK OF CANADA in its capacity as Financial Services Agent -v- TPINE CANADA
In the matter of PRIDE GROUP HOLDINGS INC.**

BEFORE: JUSTICE CAVANAGH

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
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For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
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Others in Attendance:

Name of Person Appearing	Name of Party	Contact Info
Puya Fesharaki	Counsel for Pride Entities	pfesharaki@tgf.ca
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ENDORSEMENT OF JUSTICE CAVANAGH:

[1] The Receiver and the Manager move for an order (the “Collection Plan Order”) that, among other things, approves a procedure (the “Collection Plan”) for the quantification, adjudication, or alternatively, the resolution, of the Receiver's Claims against “Defaulting Obligors” (as defined in the proposed form of Order).

[2] The Receiver also moves for an Ancillary Relief Order.

Request for adjournment

[3] At the hearing, counsel representing a group of 28 freight companies(the “Freight Companies”) requested an adjournment of the hearing of this motion.

[4] On October 8, 2025, the Freight Companies served a Notice of Motion seeking: (1) the appointment of Morse Trafford LLP and Cozen O'Conner LLP as representative counsel; and (2) a motion for directions to challenge the enforceability of lease agreements purportedly entered into by the Freight Companies (and potentially hundreds of other similarly situated freight companies) who allege to have been induced to sign the lease agreements through fraudulent misrepresentation. On December 17, 2025, the Freight Companies served their motion record for the Freight Company Motion and counsel began to canvas availability with the service list for a case management conference to timetable the motion.

[5] The Freight Companies submit that the Freight Companies’ motion should be addressed before the court considers granting the request by the Receiver and the Manager for approval of a claims process.

[6] At the hearing, I declined the request for an adjournment.

[7] I accept the submissions made by counsel for the Receiver and counsel for the manager that delaying the motion risks prejudice to the Receivership Property and the Management Property (as defined in the motion materials). The proposed Collection Plan provides a forum for the issues raised by the Freight Companies, and other freight companies, to be raised and fairly addressed. The Claims Officers will be able to develop dispute resolution procedures that are fair and effective. If, once the Freight Companies’ motion for the appointment of representative counsel is heard and decided, there would be unfairness through the enforcement of time periods provided for by the Collection Plan, it is open to affected parties to seek a change to the required time periods to address any unfairness. I am not satisfied that the Freight Companies will suffer prejudice if their request for an adjournment is denied.

Motions for Collection Plan Orders

[8] The Manager and the Receiver report that since their respective appointments, they have faced significant challenges realizing Management Property and Receivership Property, respectively. They report that while the

Manager and the Receiver have sought to address repeated defaults by Obligors (as defined in the materials) in respect of payments owing under the applicable lease agreements (the "Defaulting Obligors"), some Defaulting Obligors have acted to evade efforts made by the Court Officers or their respective third-party insurance providers to obtain payment or repossess the Equipment. They report that the number of delinquent accounts is significantly disrupting the recovery process, to the great detriment of the SPV's creditors, in the case of the Receivership Property, and the Syndicate Lenders and RBC Bilat, in the case of the Management Property.

[9] In order to address these issues, the Receiver seeks an order in the Receivership Proceedings (the "Receiver Collection Plan Order") and the Manager seeks an order in the Pride CCAA Proceedings (the "Manager Collection Plan Order", and together with the Receiver Collection Plan Order, the "Collection Plan Orders"), which will, among other things, authorize the Court Officers to each conduct a process (the "Collection Plans") for the quantification and resolution, through settlement or adjudication, of claims by the Receiver and the Manager for outstanding amounts owing by Defaulting Obligors under a lease agreement, guarantee, indemnity or related documentation (each, a "Lease") which is: (i) with or in favour of TLCC; and (ii) in the case of the Receiver Collection Plan, constitutes Receivership Property or, in the case of the Manager Collection Plan, constitutes Management Property.

[10] The facts are more fully set out in the Second Report of the Receiver and the Third Report of the Manager.

[11] The broad discretion granted under both the BIA (s. 183(1)(a) and s. 243(1)(c)) and the CCAA (s. 11) provides the Court with the jurisdiction to approve the Collection Plan Orders. In both the Receivership Proceedings and the Pride CCAA Proceedings, the Court maintains the inherent jurisdiction to ensure fairness in the insolvency process and aid in the fulfillment of the substantive objectives of the BIA and CCAA, as applicable.

[12] I am satisfied that in the circumstances, given the sheer number of Defaulting Obligors and the facts specific to each Defaulting Obligor, the process contemplated by the Collection Plans is necessary in order to resolve the Claims without having to bring potentially hundreds of lease disputes before the Court. I accept that such an exercise would be wasteful given that all or substantially all Leases comprising the Receivership Property and Management Property follow the same form and contains the same relevant language, including with respect to lease payments, advance payments, return of equipment, and defaults. Similarly, where a Lease has been guaranteed by a third-party, those guarantees follow a standard form. Notwithstanding the underlying paper, each Defaulting Obligor may have individual defenses and issues of credibility to raise before a Claims Officer. The issues raised by the Freight Companies will be able to be fairly addressed through this process.

[13] I am satisfied that the departures of the Collection Plans from the procedures provided for by the *Rules of Civil Procedure* including with respect to: (i) adjusted timelines; (ii) discovery; and (iii) service requirements, are justified. The Collection Plans authorize the Claims Officer to establish their own process for adjudicating claims. I am satisfied that these departures do not prejudice the substantive rights of the Defaulting Obligors with respect to provision of information, service, reasonable timelines, adjudication of claims, and appeal rights. The proposed Claims Officers, the Hon. Thomas J. McEwen and Kevin McElcheran, are experienced insolvency professionals, with significant experience in resolving disputes through formal and informal processes. The Claims Officer is authorized to adopt processes appropriate to facilitate the adjudication of the Claims, having regard to the principles set out in Rule 2 of the *Rules of Civil Procedure*, and with a view to proceeding in the simplest, least expensive, and most expeditious fashion.

[14] Orders to issue in forms of Orders signed by me today.

Receiver's motion for Ancillary Order

[15] The Receiver also moves for an Ancillary Relief Order. The Ancillary Relief Order, if granted, will, among other things:

- a. amend the Lien and PPSA Claims Discharge Order (as defined in the motion materials) to clarify the scope of the claims subject thereto;
- b. require insurers of the Receivership Property, upon receiving a request of the Receiver, to issue a cheque representing insurance loss proceeds payable solely to TLCC where there is a claim payout in respect of the Receivership Property to two or more payees, and one such payee is TLCC;
- c. require the Pride Entities, with the assistance of the Monitor, to forthwith, and in any event no later than February 3, 2026, subject to such later date as may be agreed by the Receiver, transfer to the Receiver, or as otherwise directed by the Receiver, all books, records, reports and other documents and information maintained by or on behalf of the Pride Entities in respect of or related to (i) legal proceedings commenced by or against TLCC with respect to the Receivership Property, (ii) Obligors of the Receivership Property, and (iii) all other credit files associated with the Receivership Property (collectively, the "Obligor Files");
- d. authorize the Receiver to make distributions to the FSA from the proceeds of the Receivership Property, up to the aggregate amount of the Outstanding FSA Indebtedness (as defined in the motion materials);
- e. authorize and direct the Receiver to establish and maintain the holdbacks and reserves as described therein;
- f. approve and authorize the execution of the Reimbursement Agreement dated January 6, 2026, between the Receiver and the FSA (the "Reimbursement Agreement");
- g. approve the First Report and Second Report (each as defined below), and the activities of the Receiver set out therein; and
- h. approve the Receiver's professional fees and disbursements and those of its legal counsel, Osler, Hoskin & Harcourt LLP ("Osler").

[16] This motion is unopposed.

[17] I am satisfied that the requested relief is fair and reasonable in the circumstances and should be approved. I accept that the relief is necessary to facilitate the ongoing Receivership Proceedings, and to address various issues and challenges which have arisen over the course of the Receivership Proceedings, which have in some cases frustrated the Receiver's ability to fully and efficiently realize on the Receivership Property for the benefit of stakeholders.

[18] With respect to the relief sought in relation to paras. 14 a., I accept the Receiver's submissions at paras. 8-10 of its factum.

[19] With respect to the relief sought in relation to para. 14 b., I accept the Receiver's submissions at paras. 11-16 of its factum.

[20] With respect to the relief sought in relation to para. 14 c., the Receiver has agreed with counsel for the Monitor and counsel for the Pride Entities on the language to be included in the Order, and I am satisfied that it is appropriate.

[21] With respect to the relief sought in relation to para. 14 d., e. and f., I am satisfied that approval of the proposed distributions to the FSA should be given and the provision for future distributions should be approved. I accept the submissions at paras. 24-27 of the Receiver's factum.

[22] I approve the Receiver's First Report and Second Report along with the activities of the Receiver set out therein.

[23] I approve the fees and disbursements of the Receiver and its legal counsel.

[24] Order to issue in form of Ancillary Relief Order signed by me today.

Released: January 13, 2026


