

CITATION: YRC Freight Canada Company, 2026 ONSC 1268
COURT FILE NO.: CV-23-00704038-00CL
DATE: 2026-03-04

SUPERIOR COURT OF JUSTICE - ONTARIO

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

**AND IN THE MATTER OF YRC FREIGHT CANADA COMPANY, YRC
LOGISTICS INC., USF HOLLAND INTERNATIONAL SALES CORPORATION
AND 1105481 ONTARIO INC.**

**APPLICATION OF YELLOW CORPORATION UNDER SECTION 46 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS
AMENDED**

Applicant

BEFORE: Chief Justice Geoffrey B. Morawetz

COUNSEL: *Joseph Pasquariello, Andrew Harmes and Trish Barrett*, for the Applicant, Yellow Corporation

Natalie E. Levine, for the Information Officer, Alvarez & Marsal Canada Inc.

Alex St. John, for Teamsters Local Union 938

HEARD and

DETERMINED: March 3, 2026

REASONS: March 4, 2026

ENDORSEMENT

[1] At the conclusion of the hearing, the motion was granted with reasons to follow. These are the reasons.

[2] Yellow Corporation is the Foreign Representative of the Chapter 11 Cases commenced by Yellow Corporation and certain of its affiliates (collectively, the "Debtors"), including YRC Freight Company Canada, YRC Logistics Inc., USF Holland International Sales Corporation and 1105481 Ontario Inc. (collectively, the "Canadian Debtors").

[3] Yellow Corporation brings this motion for the Confirmation Recognition Order, among other things, (a) recognizing and enforcing in Canada the Confirmation Order, which confirms the Debtors' chapter 11 plan (the "Confirmed Plan"), (b) granting certain relief related to the Confirmed Plan, (c) recognizing and enforcing in Canada the Second Disclosure Statement Order,

and (d) approving of certain fees and disbursements of the Information Officer and its legal counsel, as well as certain of the Information Officer's reports and activities described therein.

[4] The evidentiary support for the requested relief is provided in the Affidavit of Matthew Doheny, sworn February 24, 2026 and the Tenth Report of the Information Officer.

[5] The motion proceeded on an unopposed basis.

[6] Yellow Corporation submits that the Confirmed Plan is the product of over two years of hard-fought, good faith, arm's length negotiations between the Debtors, the UCC, and the Debtors' largest creditors and key stakeholders, which included multiple iterations of chapter 11 plans and related disclosure statements.

[7] As part of advancing a chapter 11 plan, the Yellow Corporation submits that the Debtors have also worked diligently to resolve significant outstanding disputes regarding claims asserted by various multiemployer pension plans, which filed claims asserting claims totalling billions of dollars asserted jointly and severally against all of the Debtors, including the Canadian Debtors.

[8] On September 15, 2025, the U.S. Bankruptcy Court entered the Second Disclosure Statement Order on an unopposed basis after the Debtors.

[9] The Confirmed Plan is a liquidating chapter 11 plan. It was overwhelmingly approved by voting claimants (with over 92% by value for all Debtors and 90% by number for the majority of the Debtors voting in favour) and confirmed by the U.S. Bankruptcy Court.

[10] The Confirmed Plan provides for the continuation of the Debtors' wind-down through the creation of a Liquidating Trust. As a liquidating plan, the Confirmed Plan does not make any determinations regarding the validity of claims asserted against the Debtors. Rather, it provides a path to bring the Chapter 11 Cases to an orderly conclusion and facilitate distributions to creditors through the Liquidating Trust, which will be responsible for resolving outstanding claims. The U.S. Bankruptcy Court entered the Confirmation Order on November 19, 2025.

[11] The Canadian Debtors are subject to the Confirmed Plan, and it is a condition precedent for the effectiveness of the Confirmed Plan with respect to the Canadian Debtors that this Court recognize and give effect in Canada to the Confirmation Order.

[12] The Confirmed Plan, if implemented, will provide for recoveries for Canadian creditors in accordance with the same class treatment and priorities as non-Canadian creditors.

[13] The Confirmed Plan contains consensual debtor and third-party releases, and exculpation and related injunction provisions, which the Foreign Representative submits are appropriate, necessary, in the best interests of the stakeholders, and an integral part of the Confirmed Plan.

[14] The Foreign Representative submits that recognition of the Confirmation Order and the Second Disclosure Statement Order, together with the related relief sought in the Confirmation Recognition Order, is appropriate in the circumstances, and in the best interests of the Canadian Debtors and their stakeholders.

[15] The issue on this motion is whether the Court should grant the Confirmation Recognition Order, among other things: (i) recognizing and giving effect in Canada to the Confirmation Order,

the Confirmed Plan and the Second Disclosure Statement Order; (ii) approving the Information Officer's activities, and the fees and disbursements of the Information Officer and its counsel; and (iii) granting the other requested related relief.

[16] Previous endorsements issued in these proceedings set out the basis for the jurisdiction of this court to recognize orders of the U.S. Bankruptcy Court and are not repeated in this endorsement. (See: *YRC Freight Canada Company (Re)*, 2023 ONSC 5513).

[17] The Foreign Representative submits that, and I agree, in a CCAA recognition proceeding, the role of this Court is significantly different from the role of the court overseeing the foreign main proceeding that is the primary forum for the restructuring. It is not the role of this Court to second guess or conduct an initial assessment of the merits, whether the relief granted would have been available in a plenary CCAA proceeding, or whether each aspect of the proposed Chapter 11 plan would independently satisfy domestic approval standards; rather, the appropriate inquiry is to consider whether the order made in the foreign proceeding should be recognized (see: *Re Paladin Canadian Holding Inc.*, 2024 ONSC 219 at paras 47 and 49; and *Re Xerium Technologies Inc.*, 2010 ONSC 3974 at para 2M6 ("*Xerium*").

[18] In the Confirmation Order, the U.S. Bankruptcy Court determined that: (a) the Confirmed Plan is the result of good faith, arm's length negotiations between the Debtors and various parties in interest in the Chapter 11 Cases; (b) the Debtors proposed the Confirmed Plan in good faith with the legitimate and honest purpose of maximizing the value of the Debtors' estates and to effectuate a successful chapter 11 proceeding for the Debtors; (c) the releases are given in exchange for good and valuable consideration, and the exculpation and injunction provisions are an essential component of the Confirmed Plan; and (d) the Confirmed Plan is in the best interests of the Debtors and the estates of the Debtors.

[19] Although creditors with Class 5 General Unsecured Claims against the Canadian Debtors are projected not to receive any distributions, this outcome reflects the extent of assets held by the Canadian Debtors and the application of the U.S. Bankruptcy Code priority scheme to satisfy administrative and priority claims. The Confirmed Plan nonetheless provides meaningful recoveries to other creditor classes of the Canadian Debtors, including employees.

[20] In considering whether to recognize a foreign order, including an order made in a Chapter 11 proceeding, a Canadian court will consider the factors set out in *Xerium*, which include: (a) the principles of comity and the need to encourage cooperation between courts of various jurisdictions; (b) the need to respect foreign bankruptcy and insolvency legislation; (c) the equitable treatment of stakeholders, and, to the extent reasonably possible, the equal treatment of stakeholders regardless of the jurisdiction in which they reside; and (d) that the appropriate level of court involvement depends to a significant degree upon the court's nexus to the enterprise (See: *Re Xerium, supra* at paras 26-27).

[21] The Foreign Representative submits that the test in *Xerium* has been met and that recognition of the Confirmation Order by this Court is consistent with Part IV of the CCAA, the principles of comity, and is appropriate in the circumstances of this case, including for the reasons set forth below.

[22] The Foreign Representative submits that the Confirmed Plan is broadly consistent with the principles and framework embodied in the CCAA and the nature of relief frequently approved in the context of CCAA plans. The Confirmed Plan is fair and reasonable, is not contrary to Canadian public policy and does not offend the “fundamental morality” of the Canadian legal system. Canadian creditors are treated exactly the same as U.S. creditors. There are no policy reasons to interfere with the decision of the U.S. Bankruptcy Court to confirm the Confirmed Plan. Recognition of the Confirmation Order will support the preservation of estate value by mitigating the risk of incremental costs and timing uncertainty. Accordingly, recognition of the Confirmation Order is consistent with Part IV of the CCAA and the principles of comity and should be granted.

[23] The Information Officer supports the position of the Foreign Representative.

[24] I accept these submissions.

[25] The Foreign Representative also seeks recognition of the Second Disclosure Statement Order.

[26] The Foreign Representative submits that recognition of the Second Disclosure Statement Order is appropriate in the circumstances and consistent with Part IV of the CCAA, the principles of comity, and the approval of similar orders commonly granted in Canadian restructuring proceedings.

[27] I accept this submission of the Foreign Representative.

[28] The Confirmation Recognition Order provides for the approval of the Eighth, Ninth and Tenth Reports of the Information Officer together with the activities described therein, and the approval of the fees and disbursements of the Information Officer and its counsel, all as described further in the Tenth Report.

[29] The Information Officer advised that it has received no adverse comment to its Eighth, Ninth and Tenth Reports. I am satisfied that these Reports should be approved together with the described activities.

[30] With respect to the request to approve the fees and disbursements of the Information Officer, as well as those of its counsel, I have reviewed the supporting materials and I am satisfied that the requested fees and disbursements are reasonable in the circumstances and they are approved.

[31] The motion is granted and an order giving effect to the foregoing has been signed.



Chief Justice Geoffrey B. Morawetz

Date: March 4, 2026