

**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 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

**FACTUM OF THE APPLICANT
(Motion Returnable September 15, 2025)**

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PART I – INTRODUCTION

1. Yellow Corporation (the “**Yellow Parent**”) is the Foreign Representative in respect of the proceedings in the United States Bankruptcy Court for the District of Delaware (the “**U.S. Bankruptcy Court**”) commenced by the Yellow Parent and certain of its affiliates (collectively, the “**Debtors**”), including YRC Freight Company Canada (“**YRC Freight Canada**”), YRC Logistics Inc., USF Holland International Sales Corporation and 1105481 Ontario Inc. (collectively, the “**Canadian Debtors**”), under chapter 11 of the United States Code (the “**Chapter 11 Cases**”).¹

2. The Debtors commenced the Chapter 11 Cases and these CCAA recognition proceedings to, among other things, facilitate an orderly wind-down of the Debtors’ operations and sell their Real Property Assets. The Debtors have two remaining Canadian Real Property Assets, (a) the Ontario Real Property located at 285 South Blair Street, Whitby, Ontario, and (b) the Quebec Real Property located at 930 Route 147, Stanhope sector, Dixville, Quebec. These remaining Canadian Real Property Assets are the subject of this motion.

3. On September 2, 2025, the U.S. Bankruptcy Court granted an Order (the “**Sale Order**”), among other things, approving and authorizing the Debtors’ entry into three Asset Purchase Agreements, two of which are in respect of transactions for the purchase and sale of the aforementioned Canadian properties. The Ontario APA (as defined below) contemplates the purchase and sale of the Ontario Real Property for an aggregate purchase price of CA\$21,550,000,

¹ Capitalized terms used but not otherwise defined in this Factum have the meanings set out in the Affidavit of Matthew A. Doheny sworn September 9, 2025 (the “**Tenth Doheny Affidavit**”) or the Sale Order, as applicable, including terms therein defined by way of cross-reference.

and the Quebec APA (as defined below) contemplates the purchase and sale of the Quebec Real Property for an aggregate purchase price of CA\$160,000 (in each case, subject to adjustments).

4. It is a requirement under each of the Canadian APAs, as well as under the Bidding Procedures Order, that YRC Freight Canada (and the Yellow Parent as a seller party to the Quebec APA) obtain an Order of this Court, among other things, recognizing and giving effect in Canada to the Sale Order, and vesting the Ontario Acquired Assets and the Quebec Acquired Assets in the Ontario Purchaser and the Quebec Purchaser, respectively. In addition, paragraph 5 of the Initial Recognition Order prohibits the Canadian Debtors from selling or otherwise disposing of any property in Canada outside of the ordinary course of business without leave of this Court.

5. The Foreign Representative therefore seeks an Order (the “**Second Sale Recognition and Vesting Order**”), among other things, recognizing the Sale Order, approving the Canadian Transactions (as defined below), vesting the applicable acquired assets in the applicable purchaser, and granting certain related relief, as discussed further herein.

6. The Foreign Representative seeks recognition of the Sale Order and such other related relief pursuant to the Court’s jurisdiction under subsection 49(1) of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (“**CCAA**”). For the reasons discussed herein, the Foreign Representative submits that recognition of the Sale Order and the related relief sought in the proposed Second Sale Recognition and Vesting Order is necessary and appropriate to administer and maximize the value of the Canadian Debtors’ estates, and respectfully requests that this Court issue the Second Sale Recognition and Vesting Order.

PART II – SUMMARY OF THE FACTS

A. Background

7. The Debtors, including the Canadian Debtors, are part of an approximately 100 year-old trucking and logistics company (“**Yellow**”), which boasted one of the largest less-than-truckload networks in North America.²

8. On August 6, 2023, the Debtors (including the Canadian Debtors) commenced the Chapter 11 Cases in the U.S. Bankruptcy Court by filing voluntary petitions for relief under the U.S. Bankruptcy Code.³

9. On August 8, 2023, this Court granted an interim stay order which, among other things, granted a stay of proceedings in respect of the Canadian Debtors and the Yellow Parent, and their respective directors and officers, in Canada.⁴

10. Following a hearing on August 9, 2023, in respect of the first day motions filed by the Debtors in the U.S. Bankruptcy Court, the U.S. Bankruptcy Court granted certain orders, including an order appointing the Yellow Parent as the Foreign Representative.⁵

11. On August 29, 2023, this Court granted (a) the Initial Recognition Order, among other things, recognizing the Yellow Parent as the “foreign representative” in respect of the Chapter 11 Cases and the Chapter 11 Cases as a “foreign main proceeding” pursuant to section 47 of the CCAA; and (b) the First Supplemental Order, among other things, appointing Alvarez & Marsal

² Tenth Doheny Affidavit at para 8 [CC p [A15626](#)].

³ Tenth Doheny Affidavit at paras 2 and 9 [CC pp [A15623](#); [A15626](#)].

⁴ Tenth Doheny Affidavit at para 10 [CC p [A15626](#)].

⁵ Tenth Doheny Affidavit at para 11 [CC p [A15626](#)].

Canada Inc. as the Information Officer, recognizing certain orders issued by the U.S. Bankruptcy Court, and granting certain charges.⁶

12. In the period following the First Day Hearing, the Debtors sought and obtained a number of additional orders from the U.S. Bankruptcy Court, including (i) the Bidding Procedures Order, and the Real Estate Stalking Horse Order, both of which were recognized by this Court pursuant to the Second Supplemental Order, and (ii) the Rolling Stock Sale Order, which was recognized by this Court pursuant to the Third Supplemental Order.⁷

13. The Debtors' sale efforts, which have been advanced further to the Bidding Procedures Order and the Rolling Stock Sale Order, have enabled the Debtors to pay off all of their prepetition funded debt obligations, as well as both tranches of their debtor-in-possession financing, and are expected to facilitate recoveries for unsecured creditors. The rolling stock sales are now complete and the engagement of the liquidator has been terminated.⁸

14. The Debtors' efforts in the Chapter 11 Cases have also included prosecuting various claims objections in an effort to reconcile their claims pool. A majority of the disputed issues relate to objections that have been made to the allowance of the claims asserted by substantially all of the U.S.-based multiemployer plans for the Debtors' workforce.⁹

15. As a result of the Debtors' efforts to advance wind-down, sale and claims matters, the Debtors have been able to develop and advance the Fourth Plan and the related Fourth Disclosure Statement, and are seeking the Second Disclosure Statement from the U.S. Bankruptcy Court.

⁶ Tenth Doheny Affidavit at para 13 [CC p [A15627](#)].

⁷ Tenth Doheny Affidavit at para 15 [CC p [A15627](#)].

⁸ Tenth Doheny Affidavit at para 16 [CC p [A15628](#)].

⁹ Tenth Doheny Affidavit at para 18 [CC p [A15629](#)].

Additional information and updates regarding the Fourth Plan, the Fourth Disclosure Statement, the Second Disclosure Statement Order and related matters is provided in the Tenth Doheny Affidavit and the [Information Officer's ninth report dated September 11, 2025](#) (the “**Ninth Report**”).

16. No relief regarding the Fourth Plan, the Fourth Disclosure Statement or the Second Disclosure Statement Order (if granted) is before the Court on this motion.

B. The Debtors' Real Property Sale Efforts

17. Prior to commencing the Chapter 11 Cases and these CCAA recognition proceedings, the Debtors, through Ducera Partners LLC (“**Ducera**”), their investment banker, commenced a marketing and sale process for the Debtors' extensive portfolio of Real Property Assets.¹⁰

18. On September 15, 2023, the U.S. Bankruptcy Court entered the Bidding Procedures Order, which, as noted above, was recognized by this Court pursuant to the Second Supplemental Order.¹¹

19. Pursuant to the Bidding Procedures Order, bids for the Debtors' Real Property Assets, were due November 9, 2023 at 5:00 p.m. (E.T.) (the “**First Bid Deadline**”). On November 28-30, 2023 at 9:00 a.m. (E.T.), the Debtors, led by Ducera, commenced an auction for the Real Property Assets (the “**First Auction**”), pursuant to which qualified bidders were invited to participate to bid on various owned and leased Real Property Assets of the Debtors (collectively, the “**Initial Properties**”).¹²

¹⁰ Tenth Doheny Affidavit at para 21 [CC p [A15630](#)].

¹¹ Tenth Doheny Affidavit at para 22 [CC p [A15630](#)].

¹² Tenth Doheny Affidavit at paras 23-24 [CC p [A15630](#)].

20. The Initial Properties included two Canadian properties, and the First Auction resulted in transactions in respect of each of such Canadian properties (being the RGH Transaction and the Allstar Transaction) which were approved by the U.S. Bankruptcy Court pursuant to the Real Property Assets Sale Order and this Court pursuant to the First Sale Recognition and Vesting Order granted on December 19, 2023.¹³

21. The RGH Transaction, in respect of a property owned by YRC Freight Canada located in Woodstock, Ontario, was completed on January 23, 2024 for proceeds of approximately US\$2.97 million.¹⁴

22. The Allstar Transaction contemplated the purchase and sale of the Quebec Real Property that is now subject to the Quebec Transaction. The purchaser failed to complete the Allstar Transaction despite extensive efforts of the Debtors and their advisors.¹⁵ As a result, the Debtors made the decision to remarket the Quebec Real Property.

23. With respect to the Ontario Real Property subject to the Ontario APA, the Debtors and their advisors, including Ducera, in consultation with the UCC and its advisors, determined as of the First Bid Deadline that the competitive dynamics for certain real properties, including the Ontario Real Property, were insufficient to support a value-maximizing auction at the time, and therefore the Ontario Real Property was not made subject to the First Auction.¹⁶

24. The Debtors with the assistance of Ducera and their other advisors, continued efforts over an extended period of time to market the Debtors' remaining Real Property Assets, including the

¹³ Tenth Doheny Affidavit at para 25 [CC p [A15630](#)].

¹⁴ Tenth Doheny Affidavit at para 26 [CC p [A15631](#)].

¹⁵ Tenth Doheny Affidavit at paras 26-27 [CC p [A15631](#)].

¹⁶ Tenth Doheny Affidavit at para 28 [CC p [A15631](#)].

Ontario Real Property and the Quebec Real Property (following the failure of the purchaser to close the Allstar Transaction).¹⁷

25. The Debtors filed a notice setting October 18, 2024 at 5:00 p.m. (E.T.) as the IOI Deadline for prospective bidders to submit non-binding, written indications of interest for any of the properties in the Debtors' remaining real estate portfolio (including the Ontario Real Property and the Quebec Real Property).¹⁸

26. Following the IOI Deadline, which followed approximately eleven months of further marketing efforts following the First Auction, and after receipt and review of indications of interest in respect of Real Property Assets, the Debtors and their advisors engaged in arms-length negotiations with interested parties, in consultation with the UCC. The Bidding Procedures grant the Debtors the flexibility to, in their business judgment and in consultation with the Consultation Parties, to sell their real property assets via a private or public sale outside the Bidding Procedures (subject to approval of the U.S. Bankruptcy Court).¹⁹

27. As a result of such efforts, the Debtors determined, in consultation with, and with the support of, the UCC, to enter into the three Asset Purchase Agreements subject to the Sale Order, including the Ontario APA and the Quebec APA.²⁰

¹⁷ Tenth Doheny Affidavit at paras 27 and 42 [CC p [A15631](#); [A15636](#)].

¹⁸ Tenth Doheny Affidavit at para 30 [CC p [A15632](#)].

¹⁹ Tenth Doheny Affidavit at paras 29 and 33 [CC p [A15632](#); [A15633](#)].

²⁰ Tenth Doheny Affidavit at para 34 [CC p [A15633](#)].

C. The Canadian Transactions

28. The Debtors, in consultation with the UCC, determined that the Ontario APA and the Quebec APA maximized the value of the Ontario Real Property and the Quebec Real Property, respectively. Accordingly, the Debtors entered into the Quebec APA on July 21, 2025, and the Ontario APA on August 8, 2025.²¹

29. Copies of the Quebec APA and the Ontario APA are attached at Schedule 1 to the Sale Order.

30. Pursuant to the Ontario APA, 2534929 Ontario Inc. (the “**Ontario Purchaser**”) will acquire the Ontario Real Property, which is an Owned Property of YRC Freight Canada at 285 South Blair Street, Whitby, Ontario, for an aggregate purchase price of CA\$21,550,000. The Ontario APA does not contemplate any Assigned Contracts being assigned to the Ontario Purchaser.²²

31. Pursuant to the Quebec APA, Victor Masson (the “**Quebec Purchaser**”) will acquire the Quebec Real Property, which is an Owned Property of YRC Freight Canada at 930 Route 147, Stanhope sector, Dixville, Quebec, for an aggregate purchase price of CA\$160,000. The Quebec APA does not contemplate any Assigned Contracts being assigned to the Quebec Purchaser.²³

32. The material terms of the Ontario APA and Quebec APA are summarized in the Tenth Doheny Affidavit.²⁴

²¹ Tenth Doheny Affidavit at paras 42-43 [CC p [A15636](#)].

²² Tenth Doheny Affidavit at para 45 [CC p [A15637](#)].

²³ Tenth Doheny Affidavit at para 46 [CC p [A15637](#)].

²⁴ Tenth Doheny Affidavit at para 49 [CC p [A15638](#)].

D. The Sale Order

33. The Debtors filed the Sale Motion with the U.S. Bankruptcy Court and noticed interested parties on August 14, 2025.²⁵

34. On August 28, 2025, the Debtors filed with the U.S. Bankruptcy Court a certificate of no objection with respect to the Sale Motion and the Debtors' request for a revised version of the Sale Order. On September 2, 2025, the U.S. Bankruptcy Court entered the Sale Order without the need for a hearing.²⁶

35. The Sale Order, among other things:

- (a) approves each of the Asset Purchase Agreements (including the Ontario APA and the Quebec APA), and each of the transactions contemplated thereby;
- (b) authorizes the Debtors to enter into each Asset Purchase Agreement, and to take any and all actions necessary or appropriate to, among other things, close the applicable transactions;
- (c) orders that, pursuant to and except to the extent expressly set forth in the applicable Asset Purchase Agreement, the applicable Acquired Assets shall be transferred free and clear of all Adverse Interests (as set forth in the applicable Asset Purchase Agreement), provided, however, that solely to the extent expressly set forth in the applicable Asset Purchase Agreement, Adverse Interests shall not include Assumed Liabilities (as defined in the applicable Asset Purchase Agreement) and Permitted

²⁵ Tenth Doheny Affidavit at para 20 [CC p [A15629](#)].

²⁶ Tenth Doheny Affidavit at para 38 [CC p [A15634](#)].

Encumbrances (as defined in the applicable Asset Purchase Agreement), with all such Adverse Interests to attach to the proceeds of the applicable Sale for the benefit of the holders of such Adverse Interests and with the same validity, force, and effect which such Adverse Interests had against the applicable Acquired Assets prior to the entry of the Sale Order; and

- (d) provides, among other things, that (i) each Purchaser and its Affiliates are not and shall not be deemed a “successor” in any respect to the Debtors or their estates as a result of the consummation of the transactions contemplated by the Asset Purchase Agreement or any other event occurring in the Debtors’ Chapter 11 Cases; (ii) each Purchaser shall not assume, nor be deemed to assume, or in any way be responsible for any liability or obligation of any of the Debtors and/or their estates including, but not limited to, any bulk sales law, successor liability, liability or responsibility for any claim against the Debtors or against an insider of the Debtors, or similar liability except to the extent expressly provided in the Asset Purchase Agreement; and (iii) except to the extent expressly provided in the applicable Asset Purchase Agreement, as of the applicable Closing Date, each Purchaser shall have no successor or vicarious liabilities of any kind or character with respect to the applicable Acquired Assets.²⁷

²⁷ Tenth Doheny Affidavit at para 39 [CC p [A15634](#)].

E. The Second Sale Recognition and Vesting Order

36. The Foreign Representative seeks the Second Sale Recognition and Vesting Order, among other things:

- (a) recognizing and enforcing the Sale Order pursuant to section 49 of the CCAA;
- (b) approving the sale transaction (the “**Ontario Transaction**”) contemplated by the Asset Purchase Agreement dated August 8, 2025 (the “**Ontario APA**”) between the Ontario Purchaser and YRC Freight Canada, and vesting in the Ontario Purchaser all of YRC Freight Canada’s right, title and interest in and to the Acquired Assets (as defined in the Ontario APA (the “**Ontario Acquired Assets**”));
- (c) approving the sale transaction (the “**Quebec Transaction**”, and together with the Ontario Transaction, the “**Canadian Transactions**” and each a “**Canadian Transaction**”) contemplated by the Asset Purchase Agreement dated July 21, 2025 (the “**Quebec APA**”, and together with the Ontario APA, the “**Canadian APAs**” and each a “**Canadian APA**”) by and among the Quebec Purchaser and the Yellow Parent and YRC Freight Canada, and vesting in the Quebec Purchaser all of the right, title and interest of YRC Freight Canada and USF Holland International Sales Corporation, as the case may be, in and to the Acquired Assets (as defined in the Quebec APA (the “**Quebec Acquired Assets**” together with the Ontario Acquired Assets, the “**Canadian Acquired Assets**”));
- (d) vesting in the applicable Canadian Purchaser of all of the right, title and interest of YRC Freight Canada’s and USF Holland International Sales Corporation, as the case may be in and to the Ontario Acquired Assets and the Quebec Acquired Assets,

as applicable, free and clear of all Claims and Encumbrances (each as defined in the proposed Second Sale Recognition and Vesting Order), other than the Permitted Encumbrances (as defined in the respective Canadian APAs); and

- (e) ordering that the Canadian Debtors shall pay (or direct the Canadian Purchasers to pay) to the Information Officer an amount from the net proceeds received from the Canadian Purchasers upon the applicable closing of each Canadian Transaction that, when combined with the total aggregate amount of the Real Property Holdback Amount (as defined in the First Sale Recognition and Vesting Order), is equal to the aggregate of the Administration Charge and the D&O Charge (the “**Additional Real Property Holdback Amount**”), which Additional Real Property Holdback Amount and Real Property Holdback Amount shall be subject to further order of this Court.

PART III – ISSUES AND THE LAW

37. The issue on this motion is whether the Court should grant the Second Sale Recognition and Vesting Order, among other things, recognizing the Sale Order in Canada pursuant to section 49 of the CCAA, approving the Canadian Transactions and granting the other requested related relief.

38. For the reasons set out below, the Yellow Parent submits that it is necessary and appropriate for this Court to grant the relief sought on this motion in order to maximize the value of the Canadian Debtors for the benefit of their stakeholders.

39. In granting the First Sale Recognition and Vesting Order, this Court previously recognized an order of the U.S. Bankruptcy Court approving various sale transactions, and ordered the sale, and free and clear vesting, of Canadian assets, on substantially similar terms to the proposed Second Sale Recognition and Vesting Order.²⁸ In doing so, this Court endorsed the legal basis for such an order, including, the Court’s jurisdiction, as well as the relevant factors for the Court to consider, all of which were set out in the Foreign Representative’s supporting factum.²⁹ The relevant legal basis to support the Second Sale Recognition and Vesting Order is reproduced below, with modification to reflect the relevant factual basis in support of the Second Sale Recognition and Vesting Order.

A. The Court has Jurisdiction to Grant the Second Sale Recognition and Vesting Order

40. This Court recognized the Chapter 11 Cases as a “foreign main proceeding” under section 47 of the CCAA pursuant to the Initial Recognition Order.³⁰ When a foreign main proceeding has been recognized under Part IV of the CCAA, subsection 49(1) provides the Court with broad jurisdiction to grant “any order that it considers appropriate” with respect to such foreign proceedings if the Court is satisfied that it is necessary for the protection of the debtor company’s property or the interests of a creditor or creditors.³¹

41. This Court has noted that “[t]he purpose of Part IV of the CCAA is to effect cross-border insolvencies and create a system under which foreign insolvency proceedings can be recognized

²⁸ [Yellow Corporation, et al \(19 December 2023\), Toronto, Ont Sup Ct J \[Commercial List\] CV-23-00704038-00CL \(Sale Recognition and Vesting Order\) \[First Sale Recognition and Vesting Order\]](#).

²⁹ [YRC Freight Canada Company, 2023 ONSC 7169](#) at para 18 [First Sale Recognition and Vesting Order Decision].

³⁰ [YRC Freight Canada Company et al \(29 August 2023\), Toronto, Ont Sup Ct J \[Commercial List\] CV-23-00704038-00CL \(Initial Recognition Order \(Foreign Main Proceeding\)\)](#) at para 3.

³¹ [CCAA, s 49\(1\)](#).

in Canada.”³² This statement corresponds with the stated purposes of Part IV of the CCAA set out in section 44 of the CCAA, which include the promotion of: (a) cooperation between the courts and other competent authorities in Canada with those of foreign jurisdictions; and (b) the fair and efficient administration of cross-border insolvencies that protects the interests of creditors and other interested persons, and those of debtor companies.³³

42. Comity is central to achieving these objectives. Comity requires that Canadian courts recognize and enforce the judicial acts of other jurisdictions, provided that those jurisdictions have assumed jurisdiction on a basis consistent with principles of order, predictability and fairness.³⁴ Subsection 52(1) of the [CCAA](#) provides that if a proceeding is recognized by a Canadian court as a foreign proceeding, “the court shall cooperate, to the maximum extent possible, with the foreign representative and the foreign court involved in the foreign proceeding.”³⁵

43. Where a cross-border insolvency proceeding is most closely connected to another jurisdiction, it is appropriate for the court in that jurisdiction to exercise principal control over the process given the principles of comity and to avoid a multiplicity of proceedings.³⁶

B. The Sale Order Ought to be Recognized in Canada

44. In considering whether to recognize a foreign order, including an order made in a Chapter 11 proceeding, a Canadian court should consider, among things: (a) the principles of comity and the need to encourage cooperation between courts of various jurisdictions; (b) the need to respect

³² [Zochem Inc. \(Re\)](#), 2016 ONSC 958 at para 15.

³³ [CCAA](#), s 44.

³⁴ [In the Matter of Voyager Digital Ltd](#), 2022 ONSC 4553 at para 9.

³⁵ [CCAA](#), s 52.

³⁶ [Babcock & Wilcox Canada Ltd](#), 18 CBR (4th) 157, [2000] OJ No 786 (QL) (Ont Sup Ct) at para 9 [*Babcock*].

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.³⁷

45. Typically, a Canadian court will only refuse to recognize an order of another court in situations where subsection 61(2) of the CCAA is engaged. Subsection 61(2) of the CCAA provides that "Nothing in this Part [IV] prevents the court from refusing to do something that would be contrary to public policy."³⁸ Canadian courts have held that this exception to recognition should be interpreted narrowly.³⁹

46. The Foreign Representative submits that consideration of the above factors supports the Court's recognition of the Sale Order pursuant to the Second Sale Recognition and Vesting Order, and that nothing in the Sale Order is contrary to Canadian public policy.

47. In particular, Foreign Representative submits that recognition of the Sale Order by this Court is consistent with (a) Part IV of the CCAA, (b) the principles of comity, and (c) the approval of similar approval and vesting orders commonly granted in Canadian restructuring proceedings, including those in Part IV proceedings where this Court has ordered the sale, and free and clear vesting, of Canadian assets, such as the First Sale Recognition and Vesting Order granted by this Court in these proceedings.⁴⁰

³⁷ [*Xerium Technologies Inc. Re*, 2010 ONSC 3974](#) at paras 26-27.

³⁸ [CCAA, s 61\(2\)](#).

³⁹ [*Hartford Computer Hardware, Inc. Re*, 2012 ONSC 964](#) at paras 17-18.

⁴⁰ [First Sale Recognition and Vesting Order Decision; *First Sale Recognition and Vesting Order; Jack Cooper Ventures, Inc., et al* \(18 October 2019\), Toronto, Ont Sup Ct J \[Commercial List\] CV-19-626200-00CL \(Sale Recognition and Vesting Order\)](#) at paras 3-6; and [David's Bridal, LLC \(19 July 2023\), Toronto, Ont Sup Ct J \[Commercial List\] CV-23-00698107-00CL \(Recognition, Approval and Vesting Order\)](#) at paras 3-5.

48. Comity requires that a Canadian court give deference to the judgment of a U.S. court charged with overseeing a restructuring.⁴¹ In granting the Sale Order, the U.S. Bankruptcy Court determined, among other things, that: (a) based on the evidence adduced at the hearing to approve the Sale Order and as set forth in the supporting declaration, the Debtors and their professionals have adequately marketed and conducted the sale process for the Acquired Assets under each of the Asset Purchase Agreements; (c) all potential purchasers had a full and fair opportunity to participate in the sale process and to make higher or otherwise better offers or indications of interest for the Acquired Assets; (d) the Debtors' determination that the Asset Purchase Agreements constitute, in each case, the highest or otherwise best offer for the applicable Acquired Assets constitutes a valid and sound exercise of the Debtors' business judgment; and (e) consummation of the transactions contemplated by the Asset Purchase Agreements will maximize the value of the Acquired Assets, and in turn, the Debtors' estates and are, accordingly, in the best interests of the Debtors, their estates, their creditors, and all other parties in interest.⁴²

49. The Second Sale Recognition and Vesting Order would give effect in Canada to the Sale Order, which approves three Asset Purchase Agreements (including the Canadian APAs), and each Sale and related transactions contemplated thereby (including the Canadian Transactions).

50. It is a condition of each Canadian APA that the Debtors obtain an order recognizing the Sale Order in Canada, and thus the Second Sale Recognition and Vesting Order is necessary to give effect to the Canadian Transactions.⁴³

⁴¹ [Babcock](#) at para 6.

⁴² Sale Order at paras J and L, being Exhibit A to the Tenth Doheny Affidavit [CC pp [A15657](#); [A15658](#)].

⁴³ Tenth Doheny Affidavit at para 6 [CC p [A15625](#)]; Ontario APA at para 7.1(c), Schedule 1 to the Sale Order (Exhibit A to Tenth Doheny Affidavit) [CC p [A15760](#)]; Quebec APA at para 7.1(d), Schedule 1 to the Sale Order (Exhibit A to Tenth Doheny Affidavit) [CC p [A15696](#)].

51. When considering whether to recognize a sale approval order granted by a foreign court in a Part IV proceeding, the Court must determine whether the order meets the requirements of section 49(1), and in doing so, may consider the factors set out in subsection 36(3) of the CCAA, as well as the *Soundair* factors.⁴⁴ The *Soundair* test considers: (a) whether sufficient efforts were made to obtain the best price and that the debtor had not acted improvidently; (b) whether the interests of all parties were considered; (c) the integrity and efficacy of that process; and (d) whether there was any unfairness in working out the process⁴⁵. The subsection 36(3) factors are:

- (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 a report stating that in its opinion the sale or disposition would be more beneficial to creditors than a bankruptcy;
- (d) the extent to which creditors were consulted;
- (e) the effects of the proposed sale or disposition on creditors and stakeholders; and
- (f) whether the consideration to be received for the assets is fair and reasonable, taking into account their market value.⁴⁶

52. The Foreign Representative submits that the relief pursuant to the proposed Second Sale Recognition and Vesting Order is necessary to protect the interests of creditors, satisfying the

⁴⁴ See, for example, [*David's Bridal et al* \(19 July 2023\), Toronto, Ont Sup Ct J \[Commercial List\] CV-23-00698107-00CL \(Endorsement of Kimmel, J\) at para 13](#); [*Instant Brands Acquisition Holdings Inc. et al.* \(16 October 2023\), Ont Sup Ct J \[Commercial List\] CV-23- 00701159-00CL \(Endorsement of Osborne, J\) at paras 18-19](#); and [*Royal Bank of Canada v Soundair Corp* \(1991\), 4 OR \(3d\) 1, \[1991\] OJ No 1137 at para 16](#).

⁴⁵ [*Royal Bank of Canada v Soundair Corp* \(1991\), 4 OR \(3d\) 1, \[1991\] OJ No 1137 at para 16](#).

⁴⁶ [CCAA s. 36\(3\)](#).

requirement under subsection 49(1) of the CCAA, and that consideration of the *Soundair* and subsection 36(3) factors further supports this Court's recognition of the Sale Order pursuant to the Second Sale Recognition and Vesting Order.

53. Regarding the *Soundair* and subsection 36(3) factors, the Debtors submit that these factors are satisfied in the circumstances as:

- (a) the properties subject to the Sale Order, including the Ontario Real Property and the Quebec Real Property, have been thoroughly marketed for approximately two years, including pursuant to the Bidding Procedures Order. Ducera contacted over 650 prospective parties at the outset of the Debtors' marketing efforts (on or around July 31, 2023), resulting in the execution of non-disclosure agreements with over 400 interested parties;⁴⁷
- (b) the Quebec Real Property was included as part of the First Auction, which was broadly advertised (including via notice in *The Globe & Mail*) and resulted in the Allstar Transaction.⁴⁸ The Debtors' remarketed the Quebec Real Property as part of sale efforts with respect to their remaining Real Property Assets once the purchaser in the Allstar Transactions failed to close;
- (c) the Ontario Real Property was not made subject to the First Auction due to the Debtors' determination following the First Bid Deadline, made in consultation with UCC and their respective advisors, that the competitive dynamics were insufficient

⁴⁷ [Declaration of Cody Leung Kaldenberg sworn August 14, 2025](#) at paras 18, being Exhibit D to the Tenth Doheny Affidavit (the "**Kaldenberg Declaration**") [CC p [A16003](#)]; [Debtors' Motion the Sale Order filed August 14, 2025](#) at para 21, being Exhibit E to the Tenth Doheny Affidavit (the "**Sale Motion**") [CC p [A16012](#)].

⁴⁸ Sale Motion at para 21 [CC p [A16012](#)].

to support a value-maximizing auction at the time, and thus was included as part of the Debtors' continued efforts to market their remaining real estate portfolio;⁴⁹

- (d) the Debtors retained CBRE Inc. (“**CBRE**”) in the summer of 2024 as broker and real estate advisor to assist in the marketing of the Debtors' remaining Real Property Assets, which properties were subject to additional aggressive and targeted marketing, including by leveraging CBRE's expertise in the specific local markets;⁵⁰
- (e) the IOI Deadline for the Debtors' remaining Real Property Assets was October 18, 2024 and the First Bid Deadline for the Debtors' Real Property Assets occurred eleven months prior, on November 9, 2023. Following the IOI Deadline, which followed approximately eleven months of further marketing efforts, the Debtors, in consultation with the UCC, determined to pursue direct discussions and negotiations with interested parties that had indicated competitive values for such properties, which efforts resulted in the execution of the Asset Purchase Agreements, including the Canadian APAs;⁵¹ and
- (f) Ducera, the Debtors' investment banker, has determined that the Asset Purchase Agreements, including the Canadian APAs, maximize the value of the subject properties, and that higher or otherwise better offers are unlikely to be obtained as a result of further marketing or at an auction, and that it is value-maximizing for

⁴⁹ Tenth Doheny Affidavit at para 28 [CC p [A15631](#)]; Sale Motion at para 21 [CC p [A16012](#)].

⁵⁰ Kaldenberg Declaration at para 18 [CC p [A16003](#)].

⁵¹ Tenth Doheny Affidavit at paras 23, 42, and 43 [CC pp [A15630](#); [A15636](#)].

the Debtors to complete the transactions contemplated by the Asset Purchase Agreements.⁵²

54. In addition, consistent with subsection 36(6) of the CCAA, the proposed Second Sale Recognition and Vesting Order provides that all liens, claims, encumbrances, and interests, including, without limitation, the Charges, of which the Canadian Acquired Assets are sold free and clear pursuant to the Sale Order and the Second Sale Recognition and Vesting Order shall attach to the net proceeds of the applicable sale, transfer or other disposal in the same order and priority as they existed immediately prior to such sale, transfer or other disposal.⁵³

55. Notice of the Foreign Representative's motion for the Second Sale Recognition and Vesting Order was provided to all secured creditors with registrations in Canadian personal property registries and land registries based on the searches of the relevant provincial personal property and land registries performed by the Foreign Representative's counsel.⁵⁴

56. As referenced above, the proposed Second Sale Recognition and Vesting Order is substantially consistent with the terms of the First Sale Recognition and Vesting Order, previously granted by this Court in these CCAA recognition proceedings.⁵⁵

C. Additional Real Property Holdback Amount

57. As part of approving the sale of assets and vesting of claims, the Third Supplemental Order requires the Canadian Debtors to hold back net proceeds from the sale of any Canadian Rolling

⁵² Tenth Doheny Affidavit at para 47 [CC p [A15637](#)]; Kaldenberg Declaration at para 19 [CC p [A16003](#)].

⁵³ [CCAA s. 36\(6\)](#); Tenth Doheny Affidavit at para 39 [CC p [A15634](#)]; Proposed Form of Second Sale and Recognition Order at para 6, Tab 3 of Motion Record of the Applicants [CC p [A16252](#)].

⁵⁴ Lawyer's Certificate of Service of Andrew Harmes dated September 10, 2025.

⁵⁵ [First Sale Recognition and Vesting Order](#).

Stock Assets in an amount equal to the aggregate of the Administration Charge and the D&O Charge (which together total CA\$4.2 million) as the “Holdback Amount”, and the First Sale Recognition and Vesting Order has a similar requirement for the Canadian Debtors to hold back net proceeds from the RGH Transaction as the “Real Property Holdback Amount”. The Information Officer is holding approximately CA\$4,177,000 of proceeds from the RGH Transaction as the Real Property Holdback Amount, and YRC Freight Canada has approximately US\$1.7 million of cash on hand, including as a result of sales of Canadian Rolling Stock Assets.⁵⁶

58. Consistent with the foregoing, and for administrative efficiency going forward given the amount of the Real Property Holdback Amount and the amount of cash held by YRC Freight Canada, the proposed Second Sale Recognition and Vesting Order requires the Canadian Debtors to pay (or direct the Canadian Purchasers to pay) the Additional Real Property Holdback Amount to the Information Officer from the proceeds of the Canadian Transactions. The Additional Real Property Holdback Amount shall be an amount that, when combined with the total aggregate amount of the Real Property Holdback Amount, is equal to the aggregate of the Administration Charge and the D&O Charge. The Real Property Holdback Amount and the Additional Real Property Holdback Amount shall be subject to further order of this Court. Once the Additional Real Property Holdback Amount is paid to the Information Officer, the Canadian Debtors shall not be required to continue with the holdback of any amounts on account of the Administration Charge and the D&O Charge.⁵⁷

⁵⁶ Tenth Doheny Affidavit at paras 54-55 [CC p [A15645](#)]

⁵⁷ Tenth Doheny Affidavit at paras 53 and 56 [CC pp [A15644](#); [A15645](#)].

59. Part IV of the CCAA provides the Court with broad discretion to make an order under Part IV “on any terms and conditions that the court considers appropriate in the circumstances.”⁵⁸ The Foreign Representative submits that it is appropriate the Additional Real Property Holdback Amount, on the terms contemplated by the proposed Second Sale Recognition and Vesting Order, is necessary and appropriate in the circumstances.

PART IV – RELIEF REQUESTED

60. The Yellow Parent, in its capacity as Foreign Representative, submits that recognition of the Second Sale Order and approval of the Canadian Transactions pursuant to the Second Sale Recognition and Vesting Order is fair and appropriate in the circumstances. Canadian stakeholders are treated fairly under the proposed Second Sale Recognition and Vesting Order, and will benefit from the maximization of value expected to result from the sales of the Canadian Acquired Assets pursuant to the Canadian APAs.

61. The Foreign Representative respectfully requests that the Court grant the proposed Second Sale Recognition and Vesting Order.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 11th day of September, 2025.

GOODMANS LLP

Goodmans LLP

⁵⁸ [CCAA s 50](#).

SCHEDULE A
LIST OF AUTHORITIES

Tab	Description
1.	<i>Yellow Corporation, et al</i> (19 December 2023), Toronto, Ont Sup Ct J [Commercial List] CV-23-00704038-00CL (Sale Recognition and Vesting Order)
2.	<i>YRC Freight Canada Company</i>, 2023 ONSC 7169
3.	<i>YRC Freight Canada Company et al</i> (29 August 2023), Toronto, Ont Sup Ct J [Commercial List] CV-23-00704038-00CL (Initial Recognition Order (Foreign Main Proceeding)).
4.	<i>Zochem Inc. (Re)</i>, 2016 ONSC 958
5.	<i>In the Matter of Voyager Digital Ltd</i>, 2022 ONSC 4553
6.	<i>Babcock & Wilcox Canada Ltd</i>, 18 CBR (4th) 157, [2000] OJ No 786 (QL) (Ont Sup Ct)
7.	<i>Hartford Computer Hardware, Inc. Re</i>, 3012 ONSC 964
8.	<i>Xerium Technologies Inc., Re</i>, 2010 ONSC 3974
9.	<i>Jack Cooper Ventures, Inc., et al</i> (18 October 2019), Toronto, Ont Sup Ct J [Commercial List] CV-19-626200-00CL (Sale Recognition and Vesting Order)
10.	<i>David's Bridal, LLC</i> (19 July 2023), Toronto, Ont Sup Ct J [Commercial List] CV-23-00698107-00CL (Recognition, Approval and Vesting Order)
11.	<i>David's Bridal et al</i> (19 July 2023), Toronto, Ont Sup Ct J [Commercial List] CV-23-00698107-00CL (Endorsement of Kimmel, J)
12.	<i>Instant Brands Acquisition Holdings Inc. et al</i>, (16 October 2023), Ont Sup Ct J [Commercial List] CV-23- 00701159-00CL (Endorsement of Osborne, J)
13.	<i>Royal Bank of Canada v Soundair Corp</i> (1991), 4 OR (3d) 1, [1991] OJ No 1137 (Ont CA)

I certify that I am satisfied as to the authenticity of every authority.

Date: September 11, 2025



Signature

SCHEDULE B
STATUTORY REFERENCES

COMPANIES' CREDITORS ARRANGEMENT ACT

R.S.C. 1985, c. C-36, as amended

s. 36(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.

s. 36(6)

The court may authorize a sale or disposition free and clear of any security, charge or other restriction and, if it does, it shall also order that other assets of the company or the proceeds of the sale or disposition be subject to a security, charge or other restriction in favour of the creditor whose security, charge or other restriction is to be affected by the order.

s. 44

The purpose of this Part is to provide mechanisms for dealing with cases of cross-border insolvencies and to promote

- (a) cooperation between the courts and other competent authorities in Canada with those of foreign jurisdictions in cases of cross-border insolvencies;
- (b) greater legal certainty for trade and investment;
- (c) the fair and efficient administration of cross-border insolvencies that protects the interests of creditors and other interested persons, and those of debtor companies;
- (d) the protection and the maximization of the value of debtor company's property; and
- (e) the rescue of financially troubled businesses to protect investment and preserve employment.

s. 49(1)

If an order recognizing a foreign proceeding is made, the court may, on application by the foreign representative who applied for the order, if the court is satisfied that it is necessary for the protection of the debtor company's property or the interests of a creditor or creditors, make any order that it considers appropriate, including an order

if the foreign proceeding is a foreign non-main proceeding, referred to in subsection 48(1);

respecting the examination of witnesses, the taking of evidence or the delivery of information concerning the debtor company's property, business and financial affairs, debts, liabilities and obligations; and

authorizing the foreign representative to monitor the debtor company's business and financial affairs in Canada for the purpose of reorganization.

s. 50

An order under this Part may be made on any terms and conditions that the court considers appropriate in the circumstances.

s. 52(1)

If an order recognizing a foreign proceeding is made, the court shall cooperate, to the maximum extent possible, with the foreign representative and the foreign court involved in the foreign proceeding.

s. 61(2)

Nothing in this Part prevents the court from refusing to do something that would be contrary to public policy.

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

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

Proceeding commenced at Toronto

**FACTUM OF THE APPLICANT
(Motion Returnable September 15, 2025)**

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