

Court File No. CV-23-00704038-00CL

**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 for Eighth Supplemental Order  
Returnable April 29, 2025)**

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## TABLE OF CONTENTS

	Page
<b>PART I – INTRODUCTION .....</b>	<b>1</b>
<b>PART II – SUMMARY OF THE FACTS.....</b>	<b>3</b>
A.    Background.....	3
B.    The Reimer Lease Termination Approval Order.....	6
<b>PART III - ISSUE AND THE LAW.....</b>	<b>10</b>
A.    The Court has Jurisdiction to Grant the Eighth Supplemental Order .....	10
B.    Recognition of the Reimer Lease Termination Approval Order is Consistent with the Principle of Comity.....	11
C.    Recognition of the Reimer Lease Termination Approval Order is Appropriate ...	13
<b>PART IV – RELIEF REQUESTED.....</b>	<b>16</b>

## 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 Canada Company (“**YRC Freight**”), 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**”).<sup>1</sup>

2. YRC Freight is party to certain real property leases with Reimer regarding five terminals located in Alberta, Saskatchewan and Manitoba (collectively, the “**Reimer Leases**”). The Reimer Leases were assumed in the Chapter 11 Cases under the Lease Assumption Order and are the Debtors’ only remaining Canadian Leases.

3. The Debtors and their advisors, after a thorough marketing of the Reimer Leases as part of overall sales efforts in respect of the Debtors’ remaining Leases, in consultation and with the consent of the official committee of unsecured creditors (the “**UCC**”), entered into the Lease Termination Agreement (as defined below) with Reimer in respect of the Reimer Leases.

4. The Lease Termination Agreement provides for, among other things, the termination of the Reimer Leases, the surrender of the subject leased premises in an “as-is, where-is” condition and the transfer of certain assets of YRC Freight, in exchange for payment by YRC Freight to Reimer of a termination fee of CA\$9.8 million (plus applicable tax). The termination fee is less than the

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<sup>1</sup> Capitalized terms not otherwise defined in this Factum have the meanings set out in the Affidavit of Matthew A. Doheny sworn April 23, 2025 (the “**Ninth Doheny Affidavit**”), including terms therein defined by way of cross-reference. Unless otherwise indicated, dollar amounts referenced in this factum are references to U.S. Dollars.

sum of (x) the potential administrative expense claim Reimer would likely be entitled to if the Reimer Leases were rejected (rather than terminated) by the Debtors in the Chapter 11 Cases, and (y) the costs of certain maintenance and repair items at the leased premises, which could be substantial and are the Debtors' financial responsibility under the Reimer Leases. Accordingly, the Lease Termination Agreement maximizes value for the Debtors (including YRC Freight) with respect to the Reimer Leases.

5. On April 14, 2025, the U.S. Bankruptcy Court granted the Reimer Lease Termination Approval Order, among other things, authorizing the Debtors' entry into the Lease Termination Agreement, without the need for a hearing.

6. The effectiveness of the Lease Termination Agreement is conditional on this Court recognizing and giving full force and effect to the Reimer Lease Termination Approval Order. Further, the Initial Recognition Order (as defined below) restricts the Canadian Debtors from "selling or otherwise disposing of: (a) outside the ordinary course of its business, any of its property in Canada that relates to the business; and (b) any of its other property in Canada" except with leave of the Court.

7. Accordingly, the Yellow Parent seeks an Order (the "**Eighth Supplemental Order**"), among other things:

- (a) recognizing and enforcing in Canada the Reimer Lease Termination Approval Order pursuant to subsection 49(1) of the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**");
- (b) authorizing YRC Freight to (i) transfer ownership of any FF&E owned by YRC Freight remaining at the leased premises subject to the Lease Termination

Agreement after the Termination Date (as defined in the Lease Termination Agreement) to Reimer, (ii) transfer ownership of a restored truck and trailer (the “**Restored Truck and Trailer**”) to Reimer Manitoba, and (iii) transfer and assign a sublease (the “**Sublease**”) between YRC Freight, as sublessor, and Agri-Foods Central Ltd., as sublessee, in respect of the Winnipeg Premises, to Reimer Manitoba, in each case notwithstanding paragraph 5 of the Initial Recognition Order; and

- (c) authorizing and directing YRC Freight to take such steps as may be necessary or desirable in order to give effect to the Eighth Supplemental Order and to implement the terms and conditions of the Lease Termination Agreement and the Reimer Lease Termination Approval Order.

8. For the reasons discussed herein, the Foreign Representative submits that recognition of the Reimer Lease Termination Approval Order pursuant to the proposed Eighth Supplemental Order is necessary and appropriate to administer and maximize the value of the Debtors’ (including the Canadian Debtors’) estates, and respectfully requests that this Court issue the Eighth Supplemental Order.

## **PART II – SUMMARY OF THE FACTS**

### **A. Background**

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

business, by far its largest presence was in the United States. Yellow's Canadian business represented approximately 2% of the Company's overall business.<sup>2</sup>

10. 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.<sup>3</sup>

11. 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.<sup>4</sup>

12. 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 First Day Orders, including an order appointing the Yellow Parent as the Foreign Representative.<sup>5</sup>

13. On August 16, 2023, the United States Trustee for the District of Delaware appointed the UCC.<sup>6</sup>

14. On August 29, 2023, this Court granted: (a) the Initial Recognition Order (Foreign Main Proceeding), 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 45 of the CCAA in respect of the Canadian Debtors (the "**Initial Recognition Order**"); and (b) the Supplemental Order (Foreign Main Proceeding), among other things, appointing

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<sup>2</sup> [Affidavit of Matthew A. Doheny dated August 7, 2023](#) at paras 6 and 9.

<sup>3</sup> Ninth Doheny Affidavit at para 2 [[A9113:A17](#)].

<sup>4</sup> Ninth Doheny Affidavit at para 3 [[A9113:A17](#)].

<sup>5</sup> Ninth Doheny Affidavit at para 4 [[A9113:A17](#)].

<sup>6</sup> Ninth Doheny Affidavit at para 5 [[A9114:A18](#)].

Alvarez & Marsal Canada Inc. as Information Officer, recognizing certain orders issued by the U.S. Bankruptcy Court, and granting certain charges.<sup>7</sup>

15. The Debtors commenced the Chapter 11 Cases and these CCAA recognition proceedings to facilitate an orderly wind-down of the Debtors' operations and conduct an orderly and value-maximizing sale of their portfolio of real estate and trucking assets, to be followed by the solicitation and confirmation of a liquidating chapter 11 plan.<sup>8</sup>

16. In the period following the First Day Hearing, the Debtors sought and obtained a number of orders from the U.S. Bankruptcy Court in addition to the First Day Orders, 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 dated September 29, 2023, and (ii) the Rolling Stock Sale Order, which was recognized by this Court pursuant to the Third Supplemental Order dated November 8, 2023.<sup>9</sup>

17. 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.<sup>10</sup>

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<sup>7</sup> Ninth Doheny Affidavit at para 6 [[A9114:A18](#)]; *Yellow Corporation et al* (29 August 2023) Toronto, Ont Sup Ct J [Commercial List] CV-23-00704038-00CL ([Initial Recognition Order \(Foreign Main Proceeding\)](#)) [*Initial Recognition Order*]; *Yellow Corporation et al*. (29 August 2023) Toronto, Ont Sup Ct J [Commercial List] CV-23-00704038-00CL ([Supplemental Order \(Foreign Main Proceeding\)](#)).

<sup>8</sup> Ninth Doheny Affidavit at para 7 [[A9114:A18](#)].

<sup>9</sup> Ninth Doheny Affidavit at para 8 [[A9114:A18–A9115:A19](#)].

<sup>10</sup> Ninth Doheny Affidavit at para 9 [[A9115:A19](#)]. See also the Affidavit of Matthew A. Doheny dated December 2, 2024 at paras 25-41, Exhibit "A" to the Ninth Doheny Affidavit [[A9150:A54–A9157:A61](#)].

18. Additional updates and information related to the Debtors' efforts and activities during the Chapter 11 Cases and these CCAA recognition proceedings, including the Debtors' efforts to prosecute claims objections in an effort to reconcile their claims pool and develop and advance a value-maximizing liquidating chapter 11 plan, are discussed in the Ninth Doheny Affidavit and the Information Officer's eighth report dated April 25, 2025 (the "**Eighth Report**").<sup>11</sup>

**B. The Reimer Lease Termination Approval Order**

19. The Debtors' assets include a portfolio of Real Property Assets, including owned and leased real property (the "**Leases**") across numerous U.S. states and Canadian provinces. The Debtors' remaining Canadian Real Property Assets currently consist of two owned Canadian properties and five Canadian leased properties (being the Reimer Leases).<sup>12</sup>

20. Under the Bidding Procedures Order, bids for the Debtors' Real Property Assets, including the Leases, were due November 9, 2023 (the "**First Bid Deadline**"). The Debtors and their advisors, in consultation with the UCC, determined as of the First Bid Deadline that, based upon bids for the Leases received, the competitive dynamics for the Leases were insufficient to support a value-maximizing auction for the Leases at such time. Accordingly, the Leases (including the

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<sup>11</sup> Ninth Doheny Affidavit at paras 31–59 [[A9124:A28–A9133:A37](#)]; Eighth Report at paras 5.1–5.3 and 7.1–7.20 [[E588:E15](#) & [E593:E20–E599:E26](#)].

<sup>12</sup> Ninth Doheny Affidavit at para 60 [[A9133:A37](#)]; Eighth Report at paras 4.7–4.11 and 4.16 [[E584:E11–E585:E12](#) & [E586:E13](#)].



Reimer Leases), among certain other of the Debtors' Real Property Assets, were not made subject to the auction held in November 2023.<sup>13</sup>

21. As a result of this determination, the Debtors took steps to assume certain of their Leases to enable the Debtors to pursue value-maximizing transactions in respect thereof for the benefit of their stakeholders. On February 26, 2024, the U.S. Bankruptcy Court entered the Lease Assumption Order, among other things, authorizing the Debtors to assume 29 Leases, including the Reimer Leases. The Lease Assumption Order was recognized by this Court pursuant to the Fifth Supplemental Order granted on February 28, 2024.<sup>14</sup>

22. Throughout the Chapter 11 Cases and these CCAA recognition proceedings, the Debtors have been continuing their efforts to market their remaining Real Property Assets, including the Leases.<sup>15</sup>

23. To facilitate these continued efforts, the Debtors, in consultation with the UCC and in accordance with the Bidding Procedures Order, filed certain notices establishing revised dates and deadlines to continue the marketing and sale process in respect of the remaining Real Property Assets, including the Reimer Leases.<sup>16</sup>

24. In addition, under the Bidding Procedures Order, the Debtors have broad flexibility and discretion to pursue and consummate value-maximizing transactions in respect of their Real Property Assets, including pursuant to lease termination agreements, if applicable.<sup>17</sup>

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<sup>13</sup> Ninth Doheny Affidavit at para 14 [[A9118:A22](#)].

<sup>14</sup> Ninth Doheny Affidavit at paras 15–16 [[A9118:A22](#)].

<sup>15</sup> Ninth Doheny Affidavit at para 17 [[A9118:A22–A9119:A23](#)].

<sup>16</sup> Ninth Doheny Affidavit at paras 18–20 [[A9119:A23–A9120:A24](#)].

<sup>17</sup> Ninth Doheny Affidavit at para 21 [[A9120:A24](#)].

25. After running a thorough marketing process open to all prospective purchasers, the Debtors, in accordance with their rights under the Bidding Procedures Order, engaged directly with Reimer regarding the terms and provisions of a potential lease termination agreement in respect of the Reimer Leases.<sup>18</sup>

26. The Debtors were ultimately able to agree with Reimer on terms for the termination of the Reimer Leases. On March 28, 2025, after consultation with the UCC and with their support, YRC Freight and Reimer entered into the Lease Termination Agreement. In summary, the Lease Termination Agreement provides for the following key terms:

- (a) Lease Termination and Assignment: (i) the termination of the Reimer Leases and the surrender by YRC Freight of the subject leased premises in an “as-is, where-is” condition; (ii) the transfer ownership of any FF&E owned by YRC Freight remaining at the leased premises subject to the Lease Termination Agreement after the Termination Date to Reimer; (iii) the transfer and assignment by YRC Freight to Reimer Manitoba of the Sublease; and (iv) the transfer and assignment by YRC Freight to Reimer Manitoba of the Restored Truck and Trailer on an “as-is, where-is basis” without any representations or warranties.
- (b) Termination Fee: CA\$9.8 million (plus applicable tax), payable by YRC Freight to Reimer. The Termination Fee shall be paid by YRC Freight to Goodmans LLP, as Canadian counsel to the Debtors, in trust only to be released in accordance with the terms of the Lease Termination Agreement.

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<sup>18</sup> Ninth Doheny Affidavit at para 22 [[A9120:A24](#)].

- (c) Furniture, Fixtures and Equipment: Any FF&E remaining at the leased premises after the Termination Date is deemed abandoned for no consideration, on an “as-is, where-is basis”, without any representations or warranties.
- (d) Mutual Releases: The Lease Termination Agreement provides for separate releases between the parties.
- (e) Certain Conditions: The conditions precedent to the effectiveness of the Lease Termination Agreement include the following: (i) the U.S. Bankruptcy Court has entered the Reimer Lease Termination Approval Order, among other things, approving the Lease Termination Agreement; (ii) this Court has entered the Eighth Supplemental Order, among other things, recognizing and giving full force and effect to the Reimer Lease Termination Approval Order in all provinces and territories in Canada; (iii) Goodmans LLP has received the Termination Fee; in trust to be held in escrow; and (iv) YRC Freight and Reimer has executed and delivered the necessary documentation in order to give effect to the various transactions contemplated by the Lease Termination Agreement.<sup>19</sup>

27. On April 14, 2025, after the Debtors filed a certification of counsel certifying that the Debtors entered into a joint stipulation with Reimer in respect of the Reimer Leases and the termination thereof pursuant to the Lease Termination Agreement, the U.S. Bankruptcy Court granted the Reimer Lease Termination Approval Order without the need for a hearing.<sup>20</sup>

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<sup>19</sup> Ninth Doheny Affidavit at paras 22 and 26 [[A9120:A24](#) & [A9121:A25–A9122:A26](#)].

<sup>20</sup> Ninth Doheny Affidavit at paras 23–24 [[A9120:A24–A9121:A25](#)].

28. The Foreign Representative now seeks recognition of the Reimer Lease Termination Approval Order pursuant to the Eighth Supplemental Order and the granting of certain related relief. As referenced above, the effectiveness of the Lease Termination Agreement is conditional on this Court recognizing the Reimer Lease Termination Approval Order.<sup>21</sup>

29. The parties intend to implement the transactions contemplated by the Lease Termination Agreement as soon as possible, subject to obtaining recognition by the Court of the Reimer Lease Termination Approval Order pursuant to the Eighth Supplemental Order.<sup>22</sup>

### **PART III - ISSUE AND THE LAW**

30. The issue on this motion is whether the Court should grant the Eighth Supplemental Order, among other things, recognizing the Reimer Lease Termination Approval Order. For the reasons set out below, the Foreign Representative submits that it is necessary and appropriate for the Court to grant the relief sought on this motion.

#### **A. The Court has Jurisdiction to Grant the Eighth Supplemental Order**

31. This Court recognized the Chapter 11 Cases as a “foreign main proceeding” under section 47 of the CCAA pursuant to the Initial Recognition Order.<sup>23</sup> 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

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<sup>21</sup> Ninth Doheny Affidavit at para 26 [[A9122:A26](#)].

<sup>22</sup> Ninth Doheny Affidavit at para 30 [[A9123:A27](#)].

<sup>23</sup> [Initial Recognition Order](#), *supra*, at para 3.

company's property or the interests of a creditor or creditors.<sup>24</sup> An order under Part IV of the CCAA "may be made on any terms and conditions that the court considers appropriate in the circumstances."<sup>25</sup> Accordingly, this Court has the jurisdiction to grant the Eighth Supplemental Order.

**B. Recognition of the Reimer Lease Termination Approval Order is Consistent with the Principle of Comity**

32. 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 in Canada."<sup>26</sup> 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; and (c) the protection and maximization of the value of the debtor company's property.<sup>27</sup>

33. Comity is central to achieving these objectives. Comity requires that Canadian courts recognize and enforce the judicial acts of other jurisdictions, provided that those other jurisdictions have assumed jurisdiction on a basis consistent with principles of order, predictability and fairness.<sup>28</sup> Subsection 52(1) of the CCAA provides that if a proceeding is recognized by a Canadian court under the CCAA as a foreign proceeding, "the court shall cooperate, to the maximum extent

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<sup>24</sup> [CCAA, s 49\(1\)](#).

<sup>25</sup> [CCAA, s 50](#).

<sup>26</sup> *Zochem Inc. (Re)*, [2016 ONSC 958](#) at para [15](#).

<sup>27</sup> [CCAA, s 44](#).

<sup>28</sup> *In the Matter of Voyager Digital Ltd*, [2022 ONSC 4553](#) at para [9](#).

possible, with the foreign representative and the foreign court involved in the foreign proceeding.”<sup>29</sup>

34. 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. In CCAA recognition proceedings, it is not the role of this Court to second guess or conduct an initial assessment of the merits. Rather, the appropriate inquiry is to consider whether the order made in the foreign proceeding should be recognized.<sup>30</sup>

35. In considering whether to recognize an order made in a foreign insolvency proceeding, a Canadian court will consider, among other things: (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.<sup>31</sup>

36. Typically, a Canadian court will only refuse to recognize an order of another court if 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

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<sup>29</sup> [CCAA, s 52\(1\)](#).

<sup>30</sup> *Paladin Labs Canadian Holding Inc*, [2024 ONSC 219](#) at paras [47](#) and [49](#).

<sup>31</sup> See *YRC Freight Canada Company (Re)*, [2023 ONSC 5513](#), at para [13](#) [Yellow], citing *Re Xerium Technologies Inc*, [2010 ONSC 3974](#) at paras [26–27](#) [Xerium], citing *Re Babcock & Wilcox Canada Ltd* (2000), [18 CBR \(4th\) 157 \(Ont Sup Ct J\)](#) at para [21](#).

policy.”<sup>32</sup> Canadian courts, including the Court in these recognition proceedings, have held that this exception to recognition should be interpreted narrowly.<sup>33</sup>

37. The Foreign Representative submits that a consideration of the above factors supports this Court’s recognition of the Reimer Lease Termination Approval Order pursuant to the Eighth Supplemental Order, and that nothing in the Reimer Lease Termination Approval Order is contrary to public policy.

**C. Recognition of the Reimer Lease Termination Approval Order is Appropriate**

38. The decision to engage with Reimer regarding the terms and provisions of a potential lease termination agreement was made, (i) in accordance with the Debtors’ rights under the Bidding Procedures Order, and (ii) after running a thorough marketing process for the Leases, which was open to all prospective purchasers.<sup>34</sup>

39. The Debtors engaged in hard-fought, good faith, and arm’s-length negotiations with Reimer regarding the Lease Termination Agreement. The Debtors were able to negotiate for the Termination Fee which is less than the sum of (x) the calculated administrative expense claim that Reimer would likely be entitled to under the U.S. Bankruptcy Code in the event that the Reimer Leases were rejected (rather than terminated) by the Debtors and (y) the costs of certain maintenance and repair items at the Premises, which could be substantial and are the Debtors’ financial responsibility under the assumed Leases.<sup>35</sup>

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<sup>32</sup> [CCAA, s 61\(2\)](#).

<sup>33</sup> [Yellow](#), *supra* at para [12](#), citing *Hartford Computer Hardware, Inc, Re*, [2012 ONSC 964](#) at paras [17-18](#).

<sup>34</sup> Ninth Doheny Affidavit at paras 21–22 [[A9120:A24](#)].

<sup>35</sup> Ninth Doheny Affidavit at para 27 [[A9122:A26–A9123:A27](#)].

40. As such, the Lease Termination Agreement represents a value-maximizing transaction for the Reimer Leases. There was no alternative identified through the robust marketing process that delivered more value to the Debtors' (including the Canadian Debtors') estate. The UCC and its advisors were closely consulted regarding the Lease Termination Agreement. The UCC and its advisors were provided with a copy of the Lease Termination Agreement before it was entered into and were provided with the Company's analysis regarding the potential administrative expense claim of Reimer and the costs of maintenance and repair to the subject premises. The UCC confirmed its support for the Debtors' entering into the Lease Termination Agreement.<sup>36</sup>

41. On April 14, 2025, the U.S. Bankruptcy Court entered the Reimer Lease Termination Approval Order, among other things, approving the Debtors' joint stipulation with Reimer and the Debtors' entry into the Lease Termination Agreement.<sup>37</sup>

42. The effectiveness of the Lease Termination Agreement is conditional on this Court recognizing and giving full force and effect to the Reimer Lease Termination Approval Order. Additionally, the Initial Recognition Order restricts the Canadian Debtors from "selling or otherwise disposing of: (a) outside the ordinary course of its business, any of its property in Canada that relates to the business; and (b) any of its other property in Canada" except with leave of the Court.<sup>38</sup>

43. Accordingly, pursuant to the proposed Eighth Supplemental Order, the Foreign Representative seeks recognition of the Reimer Lease Termination Approval Order and authorization for YRC Freight to, (i) transfer ownership of any FF&E owned by YRC Freight

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<sup>36</sup> Ninth Doheny Affidavit at paras 27 and 28 [[A9122:A26–A9123:A27](#)].

<sup>37</sup> Ninth Doheny Affidavit at para 24 [[A9121:A25](#)].

<sup>38</sup> [Initial Recognition Order](#), *supra*, at para 5.



remaining at the leased premises subject to the Lease Termination Agreement after the Termination Date to Reimer, (ii) transfer ownership of the Restored Truck and Trailer to Reimer Manitoba, and (iii) transfer and assign the Sublease to Reimer Manitoba as part of the agreement under the Lease Termination Agreement.

44. CCAA courts have granted orders in Part IV recognition proceedings that recognize foreign orders approving settlements or terminations that involve Canadian debtors and/or their property. For example, in these proceedings, pursuant to the Seventh Supplemental Order, the Court recognized two orders of the U.S. Bankruptcy Court approving termination agreements in respect of other leases and subleases of YRC Freight.<sup>39</sup> In recognizing such orders of the U.S. Bankruptcy Court, the Court determined, among other things, that recognition of the foreign orders was in the best interests of the Canadian Debtors and their stakeholders and that no elements of the foreign orders were contrary to Canadian public policy.<sup>40</sup>

45. The Information Officer believes the Reimer Lease Termination Approval Order is fair and reasonable in the circumstances and in the best interests of the Canadian Debtors and their stakeholders, and recommends that this Court recognize the Reimer Lease Termination Approval Order and grant the related requested relief.<sup>41</sup>

46. The Foreign Representative respectfully submits that the termination of the Reimer Leases pursuant to the Lease Termination Agreement will maximize the value of the Debtors' (including

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<sup>39</sup> *Yellow Corporation et al.*, Toronto, Ont Sup Ct J [Commercial List] CV-23-00704038-00CL, [Endorsement of Morawetz, C.J dated December 9, 2024](#); *YRC Freight Canada Company (Re)*, [2024 ONSC 3536](#), with respect to the recognition of an order of the U.S. Bankruptcy Court approving a settlement agreement providing for the transfer of title of eight semi-tractor units, which were owned by and registered to YRC Freight, as part of a settlement agreement.

<sup>40</sup> *Yellow Corporation et al.*, Toronto, Ont Sup Ct J [Commercial List] CV-23-00704038-00CL, [Endorsement of Morawetz, C.J dated December 9, 2024](#) at paras 19-20.

<sup>41</sup> Eighth Report at paras 11.1–11.2 [[E602:E29](#)].

the Canadian Debtors') estates. The Reimer Leases were thoroughly marketed, and no alternative for the Reimer Leases was identified. The Foreign Representative submits that recognition of the Reimer Lease Termination Approval Order is necessary to administer and maximize the value of the Debtors' (including the Canadian Debtors') estates, and is therefore appropriate in the circumstances and in the best interests of the Canadian Debtors and their stakeholders.

#### **PART IV – RELIEF REQUESTED**

47. The Yellow Parent, in its capacity as Foreign Representative, respectfully requests that the Court grant the Eighth Supplemental Order recognizing and giving full force and effect in Canada to the Reimer Lease Termination Approval Order and granting the related relief.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED** this 28<sup>th</sup> day of April, 2025.

*Goodmans LLP*

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**Goodmans LLP**

**SCHEDULE A**  
**LIST OF AUTHORITIES**

Tab	Description
1.	<a href="#"><i>Yellow Corporation et al</i> (29 August 2023) Toronto, Ont Sup Ct J [Commercial List] CV-23-00704038-00CL (Initial Recognition Order (Foreign Main Proceeding))</a>
2.	<a href="#"><i>Yellow Corporation et al.</i> (29 August 2023) Toronto, Ont Sup Ct J [Commercial List] CV-23-00704038-00CL (Supplemental Order (Foreign Main Proceeding))</a>
3.	<a href="#"><i>Zochem Inc. (Re)</i>, 2016 ONSC 958</a>
4.	<a href="#"><i>In the Matter of Voyager Digital Ltd</i>, 2022 ONSC 4553</a>
5.	<a href="#"><i>Paladin Labs Canadian Holding Inc</i>, 2024 ONSC 219</a>
6.	<a href="#"><i>YRC Freight Canada Company (Re)</i>, 2023 ONSC 5513</a>
7.	<a href="#"><i>Xerium Technologies Inc, Re</i>, 2010 ONSC 3974</a>
8.	<a href="#"><i>Re Babcock &amp; Wilcox Canada Ltd</i> (2000), 18 CBR (4th) 157 (Ont Sup Ct J)</a>
9.	<a href="#"><i>Hartford Computer Hardware, Inc, Re</i>, 2012 ONSC 964</a>
10.	<a href="#"><i>Yellow Corporation et al.</i>, Toronto, Ont Sup Ct J [Commercial List] CV-23-00704038-00CL, Endorsement of Morawetz, C.J dated December 9, 2024</a>
11.	<a href="#"><i>YRC Freight Canada Company (Re)</i>, 2024 ONSC 3536</a>

**Lawyer's Statement (Rule 4.06.1(2.1)):**

I certify that I am satisfied as to the authenticity of every authority cited in the factum:



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**SCHEDULE B**  
**STATUTORY REFERENCES**

**COMPANIES' CREDITORS ARRANGEMENT ACT**  
**R.S.C. 1985, c. C-36, as amended**

**Purpose**

**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.

**Other orders**

**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

- (a) if the foreign proceeding is a foreign non-main proceeding, referred to in subsection 48(1);
- (b) 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
- (c) authorizing the foreign representative to monitor the debtor company's business and financial affairs in Canada for the purpose of reorganization.

**Terms and conditions of orders**

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

**Cooperation — court**

**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.

**Public policy exception**

**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 April 29, 2025)**

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