

Endorsement of Madame Justice Dietrich dated November 5, 2020 re Celadon

A hearing in the above-noted matter was heard this morning via Zoom videoconference.

The counsel in attendance are shown on the attached counsel slip.

Endorsement

The Receiver in this matter brings this motion seeking two orders. The first is an Approval and Vesting Order, vesting the purchaser the vendor's right, title and interest to real property in Wroxeter, Ontario (the "Property"), and authorizing the Receiver, following the transaction, to cause the balance of the proceeds to be paid to the secured creditor, Blue Torch, subject to the terms of the US Wroxeter Sale Approval Order.

The second order is an ancillary order directing the land registrar to expunge from the title to a property in Ayr, Ontario (which has already been sold by the Receiver) a Certificate of Action registered in favour of Siemens Canada Limited ("Siemens"), and to amend the reporting requirement in the Supplemental Order to permit reporting on the Chapter 11 proceedings every four months as opposed to every two months.

All parties, including Siemens, were duly served on the motion. Counsel for Blue Torch is present, as is the Representative Counsel, who represents the interests of employees who were terminated by Celadon Group Inc.

The Approval and Vesting Order

Counsel to the Receiver advises that the US Wroxeter Sale Approval Order has been obtained. The motion is unopposed with the exception of an objection from the Representative Counsel. He objects to the payment of the entire net proceeds of sale to the secured creditor Blue Torch and asks that an amount of \$150,000 be set aside on account of costs that may be incurred on behalf of the employees who were terminated. Blue Torch opposes the reserve on the basis that its interest is under secured and the Representative Counsel is an unsecured creditor. The parties agree to amend the Approval and Vesting Order to take the reserve into account and to resolve the reserve issue on a motion or as between counsel.

I am satisfied that the sales and marketing process for the Property was appropriate. It resulted in thirteen non-disclosure agreements, eleven site visits and four conditional offers. A notice of sale was served on the service list in the Chapter 11 proceeding and filed with the US Court. No objections were received prior to the objection deadline of October 26, 2020.

The Ancillary Relief Order

Counsel to the Receiver, and the Receiver's report, confirm that counsel to Siemens does not oppose the expunging of the Certificate of Action in respect of the Ayr, Ontario property. Discussions are ongoing with Siemens regarding its construction lien.

Reducing the reporting obligations on the Chapter 11 proceedings from every two months to every four months is appropriate given that activity levels are winding down. Less reporting will reduce the fees incurred by the receiver and counsel.

The Approval and Vesting Order and the Ancillary Order to go in the forms of the drafts attached hereto and signed by me. These Orders are effective as of today's date and it is not required that they be entered.

A handwritten signature in cursive script that reads "Dietrich J.".

Dietrich J.
Superior Court of Justice (Toronto)
November 5, 2020