



**Third Report of
KSV Kofman Inc. as
Receiver of the Canadian
Business and Assets of
Celadon Group, Inc. and the
Entities Listed in Footnote 1 of this
Report**

April 24, 2020

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COURT FILE NO.:CV-20-00634911-00CL

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

**IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT,
R.S.C. 1985, c. B-3, AS AMENDED**

**AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN
IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE
WITH RESPECT TO CELADON GROUP, INC. AND THE AFFILIATED ENTITIES LISTED IN
FOOTNOTE "1" HERETO**

**APPLICATION OF CELADON GROUP, INC. PURSUANT TO PART XIII OF THE
BANKRUPTCY AND INSOLVENCY ACT AND SECTION 101 OF THE COURTS OF JUSTICE
ACT (ONTARIO), R.S.O. 1990, c. C-43, AS AMENDED**

**THIRD REPORT OF KSV KOFMAN INC.
AS RECEIVER**

April 24, 2020

1.0 Introduction

1. On December 8, 2019, Celadon Group, Inc. ("Celadon") and its affiliated entities¹ listed in footnote 1 (collectively, the "Chapter 11 Debtors" and each a "Chapter 11 Debtor") commenced proceedings by filing voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware (the "US Court") (the "Chapter 11 Proceedings"). Two of the Chapter 11 Debtors are Canadian corporations: Celadon Canadian Holdings, Limited ("CCHL") and Hyndman Transport Limited ("Hyndman") (jointly, the "Canadian Debtors").
2. Pursuant to an Initial Recognition Order (the "Initial Recognition Order") and a Supplemental Order ("Supplemental Order"), both made on January 23, 2020 by the Ontario Superior Court of Justice (Commercial List) (the "Court"), the Chapter 11 Proceedings were recognized in Canada and KSV Kofman Inc. ("KSV") was appointed receiver ("Receiver") of the Chapter 11 Debtors' property in Canada. Copies of the Initial Recognition Order and the Supplemental Order are attached as Appendices "A" and "B", respectively.

¹ A R Management Services, Inc., Bee Line, Inc., Celadon E-Commerce, Inc., Celadon Canadian Holdings, Limited, Celadon International Corporation, Celadon Logistics Services, Inc., Celadon Mexicana, S.A. de C.V., Celadon Realty, LLC, Celadon Trucking Services, Inc., Distribution, Inc., Eagle Logistics Services Inc., Hyndman Transport Limited, Jaguar Logistics, S.A. de C.V., Leasing Servicios, S.A. de C.V., Osborn Transportation, Inc., Quality Companies LLC, Quality Equipment Leasing, LLC, Quality Insurance LLC, Servicios Corporativos Jaguar, S.C., Servicios de Transportacion Jaguar, S.A. de C.V., Stinger Logistics, Inc., Strategic Leasing, Inc., Taylor Express, Inc., Transportation Insurance Services Risk Retention Group, Inc. and Vorbis, LLC.

3. On or around December 9, 2019, the Chapter 11 Debtors, with the exception of the business operated by Taylor Express, Inc. (“Taylor”), a US debtor, ceased operations. The stated purpose of the Chapter 11 Proceedings is to preserve and sell the Taylor business on a going-concern basis and to conduct an orderly wind down and realization process for the other Chapter 11 Debtors, including the Canadian Debtors.
4. The Supplemental Order requires the Receiver to report to Court on the status of these proceedings and the Chapter 11 Proceedings at least once every two months. The Receiver filed its Second Report to Court on February 24, 2020 (the “Second Report”).

1.1 Purposes of this Report

1. The purposes of this report (“Report”) are to:
 - a) provide background information about these proceedings;
 - b) provide an update on the status of these proceedings and the Chapter 11 Proceedings since the Second Report, including the:
 - i. Receiver’s administration of the employee claims process pursuant to the *Wage Earner Protection Program Act* (“WEPPA”);
 - ii. claims process being administered in the Chapter 11 Proceedings in accordance with a US Court Order entered March 30, 2020 (the “Claims Process Order”), which, among other things, established deadlines for filing proofs of claim, approved procedures for submitting proofs of claim, approved the notice procedures in respect thereof and granted related relief in respect of the Chapter 11 Debtors, including the Canadian Debtors;
 - iii. status of the Chapter 11 Debtors’ realization process and the Canadian Debtors’ remaining property to be realized upon; and
 - c) summarize the Receiver’s anticipated next steps in these proceedings.

1.2 Currency

1. Unless otherwise noted, all currency references in this Report are to Canadian dollars.

1.3 Restrictions

1. In preparing this Report, the Receiver has relied upon the Chapter 11 Debtors’ unaudited and publicly available financial information, materials filed in the Chapter 11 Proceedings and discussions with the Chapter 11 Debtors’ legal counsel and financial advisor (the “Information”).
2. The Receiver has not performed an audit or other verification of the Information. An examination of the Chapter 11 Debtors’ financial forecasts as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based on the Chapter 11 Debtors’ assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Receiver expresses no opinion or other form of assurance with respect to the accuracy of the Information or any financial information presented in this Report or relied upon by the Receiver in its preparation of this Report.

2.0 Background

1. The Chapter 11 Debtors were a US-based trucking company, with a fleet of approximately 3,300 tractors, 10,000 trailers and 3,800 employees, including approximately 360 who were employed by the Canadian Debtors. The Chapter 11 Debtors provided international truckload services between the US, Canada and Mexico. The Chapter 11 Debtors' head office is located in Indianapolis, Indiana.
2. In respect of the Canadian Debtors:
 - a) Hyndman operated a fleet of approximately 310 tractors and trailers from owned properties located in Ayr, Ontario (the "Ayr Property"), Winnipeg, Manitoba (the "Winnipeg Property") and Wroxeter, Ontario (the "Wroxeter Property"). Hyndman had been in business since 1937 and was acquired by Celadon in 2005; and
 - b) CCHL is an inactive holding company and the sole shareholder of Hyndman.
3. Upon discontinuation of its business on or around December 9, 2019, Hyndman terminated its workforce, including substantially all of its employees and owner-operator drivers. Hyndman retained a few employees to manage its facilities. Hyndman's workforce was not unionized and it did not maintain any registered pension plans.
4. In advance of these proceedings, KSV filed a report to Court dated January 22, 2020 (the "Prefiling Report"). Additional information about the Canadian Debtors and the Chapter 11 Proceedings is provided in the Prefiling Report and, accordingly, that information is not repeated in this Report. A copy of the Prefiling Report is attached as Appendix "C", without appendices.
5. Copies of all Court materials filed in these proceedings are available on the Receiver's website at <https://www.ksvadvisory.com/insolvency-cases/case/celadon-group-inc>.

3.0 Secured Creditors

1. The Chapter 11 Debtors' principal secured creditors are:
 - a) MidCap Funding IV Trust ("MidCap"), as administrative agent and lender under the Chapter 11 Debtors' US\$60 million revolving credit facility dated July 31, 2019 (the "Revolving Credit Agreement"), which was used to fund the Chapter 11 Debtors' working capital requirements. The Canadian Debtors are co-borrowers under the Revolving Credit Agreement and granted a security interest to MidCap in substantially all of their assets in order to secure all of the obligations under the Revolving Credit Agreement, which totalled approximately US\$31.8 million at the commencement of the Chapter 11 Proceedings, plus interest and costs which continue to accrue. MidCap is also a secured creditor of the Chapter 11 Debtors with a subordinate security interest on their non-current assets, including their real property and fleet of rolling stock;

- b) a group of term loan lenders represented by Blue Torch Finance LLC (“Blue Torch”), as agent (collectively, the “Term Loan Lenders”), who were owed approximately US\$103.6 million under a US\$105 million term loan facility (the “Term Loan Facility”) at the commencement of the Chapter 11 Proceedings, plus interest and costs which continue to accrue. The Canadian Debtors are secured guarantors under the Term Loan Facility. The Term Loan Lenders were also the DIP lenders in these proceedings pursuant to a US\$11.25 million DIP loan facility (the “DIP Facility”) approved by the US Court and this Court pursuant to the Supplemental Order. All amounts drawn under the DIP Facility have been fully repaid over the course of the Chapter 11 Proceedings;
- c) Luminus Energy Partners Master Fund, Ltd., a 49.9% shareholder of Celadon, is a secured creditor as a result of its US\$30 million “last-out” participation in the Term Loan Facility discussed in 1(b) above; and
- d) numerous vehicle financiers/lessors who have registered security interests in the Chapter 11 Debtors’ tractors and trailers. In respect of Hyndman, the largest financier/lessor is Canadian Western Bank (“CWB”). CWB took possession of its collateral, comprised of approximately 271 vehicles, and is liquidating it in accordance with a Liquidating and Vesting Order made by the Court on March 2, 2020. The Receiver and/or its counsel requested that each vehicle financier/lessor provide the Receiver with its lease and security documents and certain other information. The Receiver is continuing to follow-up with those that have not provided the requested documents and information.

3.1 Projected Recoveries in the Chapter 11 Proceedings

1. On February 20, 2020, the Chapter 11 Debtors’ financial advisor, AlixPartners, LLP (“Alix”), provided the Receiver with a liquidation analysis (the “Liquidation Analysis”)² for the Chapter 11 Debtors, including the Canadian Debtors. The Receiver requested this analysis in order for it to determine whether the proceeds of realization for the Chapter 11 Debtors (including the Canadian Debtors) are expected to be sufficient to repay in full their obligations owing to their secured creditors, and accordingly, whether parties other than the secured creditors had an economic interest in these proceedings.
2. The Liquidation Analysis reflects that, on a global basis, recoveries are not expected to satisfy the Chapter 11 Debtors’ secured obligations.
3. Based on the Receiver’s recent discussions with Alix, actual realizations from the sale of the Taylor business, accounts receivable collections and net proceeds from real property sales and the liquidation of rolling stock have been consistent with those projected in the Liquidation Analysis. Therefore, it continues to appear that the Term Loan Lenders will incur a substantial shortfall on their advances to the Chapter 11 Debtors and, accordingly, no funds will be available for distribution to unsecured creditors.

² The Liquidation Analysis was filed with the Court as a confidential appendix to the Second Report and remains sealed pending further Court order pursuant to a Court order made on March 2, 2020.

4.0 The Canadian Debtors' Remaining Assets

1. A summary of the Canadian Debtors' remaining assets is as follows:

a) Cash

- As at the date of this Report, there was approximately \$790,000³ in the Receiver's accounts.
- The cash in the receivership accounts represents the balance of the Court approved holdback from which potential priority claims will be funded, being priority employee claims of approximately \$400,000 and a trust claim of approximately \$100,000 asserted by owner/operator drivers. The priority claim holdback was reduced with the consent of Koskie Minsky LLP, representative counsel for the employees ("Employee Rep Counsel").

b) Accounts Receivable

- As at the date of this Report, the book value of Hyndman's accounts receivable totals approximately \$935,000.
- Accounts receivable collections are continuing to be applied against the Chapter 11 Debtors' obligations owing to MidCap under the Revolving Credit Agreement. In this regard, earlier in these proceedings, Bennett Jones LLP ("Bennett Jones"), the Receiver's legal counsel, provided an opinion confirming the validity and enforceability of MidCap's security against the Canadian Debtors.

c) Real Property

- Transactions for the Ayr Property and the Winnipeg Property were approved by the Court on February 12, 2020 and these transactions closed on February 18, 2020 and February 28, 2020, respectively.
- The net proceeds of the real property transactions were applied against the Chapter 11 Debtors' secured obligations owing to Blue Torch, in its capacity as lender under the DIP Facility and as agent under the Term Loan Facility. Earlier in these proceedings, Bennett Jones provided an opinion confirming the validity and enforceability of Blue Torch's security with respect to such properties.
- The Wroxeter Property will be listed for sale in the near term by Jones Lang LaSalle Inc. ("JLL"). Any transaction resulting from JLL's process will be subject to Court approval.

³ Includes approximately US\$163,000 in the Receiver's US dollar bank account translated to Canadian dollars at a rate of US\$1.00 : CAD\$1.40.

d) Rolling Stock

- Pursuant to a Court Order made on March 2, 2020, the Court approved a sale agreement between the Chapter 11 Debtors and Ritchie Bros. Auctioneers (America) Inc. (“RB”) (the “Sale Agreement”), which was approved by the US Court on February 19, 2020.
- Pursuant to the Sale Agreement, RB was retained as auctioneer and broker for the Chapter 11 Debtors’ fleet of owned tractors and trailers in the US and Canada. The majority of Hyndman’s fleet was sold at an auction conducted by RB in early March, 2020.
- The net proceeds of individual sale transactions completed under the Sale Agreement are being applied against the Chapter 11 Debtors’ obligations owing to Blue Torch.

5.0 WEPPA Administration

1. As a result of the discontinuation of Hyndman’s operations on or around December 9, 2019 and these proceedings, Hyndman’s former workforce is eligible to file claims under WEPPA.
2. The initial deadline for the Receiver to file WEPPA claims was March 8, 2020⁴. On March 6, 2020, Service Canada extended this filing deadline to April 20, 2020. The extension was sought as the Receiver was not in a position to share employee information with Employee Rep Counsel until the Court issued and entered the Employee Representation Order on March 16, 2020 (the “Employee Representation Order”). Although the Employee Representation Order is dated February 12, 2020, it was not issued and entered until March 16, 2020. Since that date, the Receiver has worked closely with Employee Rep Counsel to quantify employee claims for WEPPA purposes. A copy of the Employee Representation Order is attached as Appendix “D”.
3. On April 15, 2020, the Receiver completed the process of inputting employee claim information on Service Canada’s website and mailed all statutory claim information to Hyndman’s 352 former employees with eligible WEPPA claims. Based on the claims submitted to Service Canada, the priority portion of employee claims for unpaid wages and vacation pay totals approximately \$400,000. That amount will be paid to Service Canada from the holdback in the Receiver’s account when the WEPPA process is complete and Service Canada provides its support that the priority amounts claimed under WEPPA have been paid to the former employees.
4. It is the Receiver’s experience that employees should expect to receive funds from Service Canada approximately three to four weeks following the date on which claims were submitted (April 15, 2020). These payments may be delayed due to the Covid-19 pandemic. The Receiver will continue to respond to Service Canada’s enquiries in an effort to expedite Service Canada’s payment process, to the extent possible.

⁴ Pursuant to WEPPA, the initial deadline is 45 days following the date of receivership, being January 23, 2020, which filing deadline may be extended by Service Canada upon request.

6.0 The Claims Process Order

1. On March 30, 2020, the US Court issued and entered the Claims Process Order which, *inter alia*, sets deadlines and procedures for submitting proofs of claim, publishing notices and other related relief. A copy of the Claims Process Order is attached as Appendix “E”.
2. Pursuant to the Claims Process Order, the general claims bar date is April 30, 2020 and the governmental claims bar date is June 5, 2020.
3. The Chapter 11 Debtors did not seek recognition of the Claims Process Order in Canada given, *inter alia*, that there will not be any funds available for distribution to unsecured creditors of any of the Chapter 11 Debtors and that claims against the Canadian Debtors were to be addressed on the same basis as those filed against the US Debtors.
4. In order to give Canadian stakeholders as much notice as possible of the Claims Process Order, the Receiver took the following steps:
 - a) on March 31, 2020, the Receiver posted the Claims Process Order on its case website for these proceedings;
 - b) on April 1, 2020, Bennett Jones sent the Claims Process Order together with the following email to the Service List in these proceedings:

“We are counsel to KSV Kofman Inc. in its capacity as receiver (in such capacity, the “Receiver”) in the above noted proceedings. On March 30, 2020, the US Debtors obtained the Order (I) Establishing Deadlines For Filing Proofs of Claim, Including Section 503(b)(9) Claims, (II) Approving the Form and Manner of Notice Thereof, and (III) Granting Related Relief (the “Order”) in the US Proceedings. Please note that the Order contemplates the filing of claims against all of the US Debtors, including the two Canadian debtors, Celadon Canadian Holdings, Limited and Hyndman Transport Limited.

The Receiver understands that the US Debtors are not currently intending to seek approval or recognition of the Order in Canada, and no separate claims process is currently expected for the Canadian debtors. It is not anticipated at this time that there will be a distribution to ordinary unsecured creditors of any of the US Debtors, including the Canadian debtors.

If you have any questions or concerns with respect to the Order or the claims process contemplated therein, please contact the US Debtors’ claims and noticing agent Kurtzman Carson Consultants LLC (“KCC”) by calling (866) 927-7078 (U.S. / Canada)/(310) 751-2651 (international) or by submitting an inquiry (<https://www.kccllc.net/celadon/inquiry>). A proof of claim form is available on KCC’s website and is also included as an attachment to this email. Please note that the Order sets April 30, 2020 at 4:00 p.m. (ET) as the General Bar Date in the US claims process.

Court materials filed in the Canadian receivership proceedings are available on the Receiver's website at <https://www.ksvadvisory.com/insolvency-cases/case/celadon-group-inc.>”;

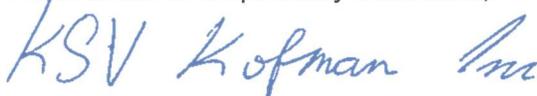
- c) on April 1, 2020, the Receiver confirmed with Employee Rep Counsel that it would be communicating with its clients, being Hyndman's former employees, in order to prepare and file an omnibus claim in the US claims process; and
- d) the Receiver confirmed with Kurtzman Carson Consultants LLC that notice of the Claims Process Order was published in *The Globe and Mail* (national edition) on April 7, 2020. A copy of the published notice is attached as Appendix “F”.

7.0 Anticipated Next Steps

1. The Receiver's next steps in these proceedings include the following:
 - a) liaising with Service Canada to complete the WEPPA claims process, including remitting the priority portion of the employee claims to Service Canada once that amount is determined;
 - b) monitoring JLL's sale process for the Wroxeter Property and bringing a sale approval motion once a purchaser is identified and a binding agreement is finalized;
 - c) working with Bennett Jones to determine the validity of the trust claim asserted by certain of Hyndman's former owner/operator drivers;
 - d) working with Bennett Jones to review the lease and security documents of the vehicle financiers/lessors, and to ensure any funds that the Canadian Debtors are entitled to from the sale of such vehicles are received by the Canadian Debtors; and
 - e) working with the Chapter 11 Debtors and their advisors in respect of sundry matters, including to file Hyndman's final tax returns and any claims process issues that may arise, to the extent required.
2. In accordance with the Supplemental Order, the Receiver will next file a report with this Court on or before June 24, 2020.

* * *

All of which is respectfully submitted,

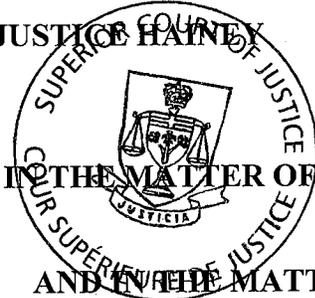


**KSV KOFMAN INC.
SOLELY IN ITS CAPACITY AS RECEIVER OF THE CANADIAN
BUSINESS AND ASSETS OF
CELADON GROUP, INC. AND THE
ENTITIES LISTED IN FOOTNOTE 1 HERETO
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.) THURSDAY, THE 23rd DAY OF
JUSTICE HAINES)
) JANUARY, 2020



IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE WITH RESPECT TO CELADON GROUP, INC. AND THE AFFILIATED ENTITIES LISTED IN FOOTNOTE "1" HERETO

APPLICATION OF CELADON GROUP, INC. PURSUANT TO PART XIII OF THE *BANKRUPTCY AND INSOLVENCY ACT* AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C-43, AS AMENDED

INITIAL RECOGNITION ORDER
(FOREIGN MAIN PROCEEDING)

THIS APPLICATION, made by Celadon Group, Inc. ("Celadon") in its capacity as the foreign representative (the "Foreign Representative") on behalf of itself as well as its direct and indirect subsidiaries (collectively, the "Chapter 11 Debtors"¹), pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") for Orders substantially in the forms included at Tabs 3 and 4 of the Application Record, was heard this day at 330 University Avenue, Toronto, Ontario.

¹ In addition to Celadon, the Chapter 11 Debtors are A R Management Services, Inc., Bee Line, Inc., Celadon Canadian Holdings, Limited ("CCHL"), Celadon E-Commerce, Inc., Celadon International Corporation, Celadon Logistics Services, Inc., Celadon Mexicana, S.A. de C.V., Celadon Realty, LLC, Celadon Trucking Services, Inc., Distribution, Inc., Eagle Logistics Services Inc., Hyndman Transport Limited ("Hyndman"), Jaguar Logistics, S.A. de C.V., Leasing Servicios, S.A. de C.V., Osborn Transportation, Inc., Quality Companies LLC, Quality Equipment Leasing, LLC, Quality Insurance LLC, Servicios Corporativos Jaguar, S.C., Servicios de Transportacion Jaguar, S.A. de C.V., Stinger Logistics, Inc., Strategic Leasing, Inc., Taylor Express, Inc., Transportation Insurance Services Risk Retention Group, Inc. and Vorbas, LLC.

ON READING the Notice of Application of the Foreign Representative, the affidavit of Kathryn Wouters sworn January 22, 2020 and the exhibits thereto, including the declaration of Kathryn Wouters sworn December 8, 2019 (the “**Wouters Declaration**”), and upon being provided with copies of the documents required by section 269(2) of the BIA,

AND UPON HEARING the submissions of counsel for the Foreign Representative, counsel for the proposed Receiver, counsel for Blue Torch Finance LLC (the “**Agent**”) as agent for the DIP Lenders and as agent for the Term Loan Lenders, counsel to MidCap (each as defined in the Wouters Declaration), counsel to the proposed Employee Representative, and those other parties present, no one else appearing although duly served as appears from the affidavit of service of Danny M. Nunes sworn January 23, 2020:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used herein and not otherwise defined have the meaning given to them in the Wouters Declaration.

FOREIGN REPRESENTATIVE

3. **THIS COURT ORDERS AND DECLARES** that the Foreign Representative is the “foreign representative” as defined in section 269 of the BIA of the Chapter 11 Debtors in respect of the cases commenced in the United States Bankruptcy Court for the District of Delaware by the Chapter 11 Debtors pursuant to Chapter 11 of the United States Bankruptcy Code (collectively, the “**Foreign Proceeding**”).

CENTRE OF MAIN INTEREST AND RECOGNITION OF FOREIGN PROCEEDING

4. **THIS COURT DECLARES** that the centre of main interest for each of the Chapter 11 Debtors is the United States of America and that the Foreign Proceeding is hereby recognized as a “foreign main proceeding” as defined in section 268 of the BIA.

STAY OF PROCEEDINGS

5. **THIS COURT ORDERS** that until otherwise ordered by this Court:
- (a) all proceedings taken or that might be taken against the Chapter 11 Debtors under the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act* are stayed;
 - (b) further proceedings in any action, suit or proceeding against the Chapter 11 Debtors are restrained; and
 - (c) the commencement of any action, suit or proceeding against the Chapter 11 Debtors is prohibited.

NO SALE OF PROPERTY

6. **THIS COURT ORDERS** that, except with leave of this Court, each of the Chapter 11 Debtors is prohibited 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.

GENERAL

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada and the United States of America, to give effect to this Order and to assist the Chapter 11 Debtors and the Foreign Representative and their respective counsel and agents in carrying out the terms of this Order.
8. **THIS COURT ORDERS AND DECLARES** that this Order shall be effective as of 12:01 a.m. Eastern Standard Time on the date of this Order.
9. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days notice to the Service List in

this proceeding and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.



ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JAN 23 2020

PER / PAR: 

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE WITH RESPECT TO CELADON GROUP, INC. AND THE AFFILIATED ENTITIES LISTED IN FOOTNOTE "1" HERETO

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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

INITIAL RECOGNITION ORDER
(FOREIGN MAIN PROCEEDING)

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Lawyers for the Chapter 11 Debtors and the Foreign
Representative

Appendix “B”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)
JUSTICE HAINEY) THURSDAY, THE 23rd DAY OF
JANUARY, 2020



IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN
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SUPPLEMENTAL ORDER
(FOREIGN MAIN PROCEEDING)

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Tabs 3 and 4 of the Application Record, was heard this day at 330 University Avenue, Toronto, Ontario.

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AND UPON HEARING the submissions of counsel for the Foreign Representative, counsel for the proposed Receiver, counsel for Blue Torch Finance LLC (the “**Agent**”) as agent for the DIP Lenders and as agent for the Term Loan Lenders, counsel to MidCap (each as defined in the Wouters Declaration), counsel to the proposed Employee Representative, and those other parties present, no one else appearing although duly served as appears from the affidavit of service of Danny M. Nunes sworn January 23, 2020:

SERVICE

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2. **THIS COURT ORDERS** that capitalized terms used herein and not otherwise defined have the meaning given to them in the Wouters Declaration.

INITIAL RECOGNITION ORDER

3. **THIS COURT ORDERS** that the provisions of this Order shall be interpreted in a manner complementary and supplementary to the provisions of the Initial Recognition Order (Foreign Main Proceeding) dated as of January 23, 2020 (the “**Recognition Order**”), provided that in the event of a conflict between the provisions of this Order and the provisions of the Recognition Order, the provisions of the Recognition Order shall govern.

RECOGNITION OF FOREIGN REPRESENTATIVE ORDER

4. **THIS COURT ORDERS** that the Order of the United States Bankruptcy Court for the District of Delaware (the “**U.S. Bankruptcy Court**”) made in the Foreign Proceeding (as defined in the Recognition Order), and attached hereto as Schedule “A”, authorising Celadon Group, Inc. to act as Foreign Representative of the Chapter 11 Debtors (the “**Foreign Representative Order**”) is hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to section 272 of the BIA, provided, however, that in the event of any conflict between the terms of the Foreign Representative Order and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to the Property (as defined below) in Canada.

RECOGNITION OF FINAL DIP ORDER

5. **THIS COURT ORDERS** that the Order of the U.S. Bankruptcy Court made in the Foreign Proceeding and attached hereto as Schedule “B”, authorizing, *inter alia*, the Chapter 11 Debtors to obtain senior secured superiority financing from the DIP Lenders and granting to the DIP Lenders a charge (the “**DIP Charge**”) over the Chapter 11 Debtors’ assets, including all of the assets, undertakings and properties of the Chapter 11 Debtors located in Canada, acquired or, or used in relation to the business carried on by the Chapter 11 Debtors in Canada, including all proceedings there (collectively, the “**Property**”) (the “**Final DIP Order**” and together with the Foreign Representative Order, the “**Recognized Foreign Orders**”), is hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to section 272 of the BIA, provided, however, that in the event of any conflict between the terms of the Final DIP Order and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to the Property in Canada.

APPOINTMENT OF RECEIVER

6. **THIS COURT ORDERS** that pursuant to section 272(1)(d) of the BIA and pursuant to Section 101 of the CJA, KSV is hereby appointed receiver (the “**Receiver**”), without security, of all of the Property.

RECEIVER'S POWERS

7. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver, in consultation with the Chapter 11 Debtors, considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to access all information relating to the Chapter 11 Debtors' accounts at any financial institution in Canada, and the Receiver shall have immediate, continuous and unrestricted access to carry out the foregoing;
- (d) to access any and all computer systems and servers, wherever located, related to the business and affairs of the Chapter 11 Debtors and or the Property;
- (e) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;
- (f) to assist the Chapter 11 Debtors to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion and in consultation with the Chapter 11 Debtors may deem appropriate;

- (g) to sell, convey, transfer, lease or assign the Property or any part or parts thereof as requested by the Chapter 11 Debtors out of the ordinary course of business,
 - (i) without the approval of the Court in respect of any transaction not exceeding CDN\$200,000, provided that the aggregate consideration for all such transactions does not exceed CDN\$1,000,000;
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case, notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;

- (h) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (i) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Chapter 11 Debtors and/or the Property, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (j) to apply for any permits, licenses, approvals or permissions as may be required by any governmental authority and any renewals thereof on behalf of and, if thought desirable by the Receiver, in the name of any Chapter 11 Debtor; and
- (k) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, subject at all times to the provisions of this Order and the provisions of the Recognized Foreign Orders.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

8. **THIS COURT ORDERS** that: (i) the Chapter 11 Debtors; (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, shall grant immediate and continued access to the Property to the Receiver and shall deliver all such Property to the Receiver upon the Receiver’s request.

9. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Chapter 11 Debtors, and any computer programs, computer tapes, computer disks, servers, electronic backups, or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

10. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this

paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

11. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against or in respect of the Receiver, except with leave of this Court.

NO PROCEEDINGS AGAINST THE CHAPTER 11 DEBTORS OR THE PROPERTY

12. **THIS COURT ORDERS** that until such date as this Court may order (the “**Stay Period**”), no Proceeding shall be commenced or continued against or in respect of the Chapter 11 Debtors or affecting their business (the “**Business**”) or Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Chapter 11 Debtors or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

13. **THIS COURT ORDERS** that, without limiting the stay of proceedings provided for in the Recognition Order, during the Stay Period, all rights and remedies of any Person against or in respect of the Chapter 11 Debtors, or affecting the Business or the Property, are hereby stayed and suspended except with leave of this Court, provided that nothing in this Order shall (a) prevent the assertion of or the exercise of rights and remedies outside of Canada, (b) empower any of the Chapter 11 Debtors to carry on any business in Canada which that Chapter 11 Debtor is not lawfully entitled to carry on, (c) exempt the Receiver or any Chapter 11 Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (d) prevent the filing of any registration to preserve or perfect a security interest, or (e) prevent the registration of a claim for lien, or (e) preclude any parting having a Vehicle Finance Lien (as

defined in paragraph 27 below) from enforcing such Vehicle Finance Liens solely in accordance with the protocols and stipulations established in the Foreign Proceeding.

NO INTERFERENCE WITH RIGHTS

14. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any of the Chapter 11 Debtors and affecting the Business in Canada, without the prior written consent of the Receiver or leave of this Court.

LIMITATION ON THE RECEIVER'S LIABILITY

15. **THIS COURT ORDERS** that all employees of the Chapter 11 Debtors in Canada shall remain the employees of the Chapter 11 Debtors until such time as the Chapter 11 Debtors, or the Receiver on the Chapter 11 Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee related liabilities, including any successor employer liabilities as provided for in subsection 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under subsections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

ADDITIONAL PROTECTIONS

16. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Chapter 11 Debtors or statutory or regulatory mandates for the supply of goods and/or services in Canada, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services provided in respect of the Property or Business of the Chapter 11 Debtors, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Chapter 11 Debtors or the Receiver, and that the Chapter 11 Debtors and the Receiver shall be entitled to the continued use in Canada of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that

the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver or the applicable Chapter 11 Debtor in accordance with normal payment practices of the applicable Chapter 11 Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver or the applicable Chapter 11 Debtor, or as may be ordered by this Court.

17. **THIS COURT ORDERS** that notwithstanding the provisions of the Recognized Foreign Orders, but subject to paragraph 33 below, all funds, monies, cheques, instruments and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the “**Post Receivership Accounts**”) and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

18. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act* or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided, however, that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

OTHER PROVISIONS RELATING TO THE RECEIVER

19. **THIS COURT ORDERS** that the Receiver:

- (a) is hereby authorized to provide such information and assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request;
- (b) is hereby authorized to otherwise coordinate the administration and supervision of the Chapter 11 Debtors' assets and affairs with the Foreign Representative;
- (c) shall report to this Court at least once every two months with respect to the status of these proceedings and the status of the Foreign Proceeding, which reports may include information relating to the Property, or such other matters as may be relevant to the proceedings herein; and
- (d) in addition to the periodic reports referred to in paragraph 19(c) above, the Receiver may report to this Court at such other times and intervals as the Receiver may deem appropriate with respect to any of the matters referred to in paragraph 19(c) above.

20. **THIS COURT ORDERS** that the Chapter 11 Debtors and the Foreign Representative shall (a) advise the Receiver of all material steps taken to date and to be taken by the Chapter 11 Debtors or the Foreign Representative in these proceedings or in the Foreign Proceeding as it relates to the Property, (b) co-operate fully with the Receiver in the exercise of its powers and discharge of its obligations, and (c) provide the Receiver with the assistance that is necessary to enable the Receiver to adequately carry out its functions.

21. **THIS COURT ORDERS** that the Receiver (a) shall post on its website all Orders of this Court made in these proceedings, all motions and other materials filed by any Person herein (including without limitation any reports of the Receiver filed herein), and such other materials as this Court may order from time to time, and (b) may post on its website any other materials that the Receiver deems appropriate.

22. **THIS COURT ORDERS** that the Receiver may provide any creditor of a Chapter 11 Debtor with information provided by the Chapter 11 Debtors in response to reasonable requests for information made in writing by such creditor addressed to the Receiver. The Receiver shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Receiver has been advised by the Chapter 11 Debtors is privileged or confidential, the Receiver shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Receiver, the Foreign Representative and the relevant Chapter 11 Debtors may agree.

23. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the “**Receiver’s Charge**”) on the Property in Canada in the maximum amount of CDN \$350,000, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver’s Charge shall have the priority set out in paragraphs 26 and 28 hereof, and shall be subject to sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.

24. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice and the accounts of the Receiver and its legal counsel shall not be subject to approval in the Foreign Proceeding.

25. **THIS COURT ORDERS** that prior to passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver and its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

DIP CHARGE

26. **THIS COURT ORDERS** that the Agent in its capacity as agent for DIP Lender shall be entitled to the benefit of and is hereby granted a DIP Charge on the Property in Canada, which DIP Charge shall be consistent with the liens and charges created by the Final DIP Order with respect to the Property in Canada, shall have the priority set out in paragraphs 27 and 29 hereof, and further provided that the DIP Charge shall not be enforced except with leave of this Court on notice to the Receiver and those parties on the service list established for these proceedings (the “**Service List**”).

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

27. **THIS COURT ORDERS** that the priorities of the Receiver’s Charge and the DIP Charge shall be as follows:

- (a) First – vehicle-specific liens and charges in favour of financiers and lessors of vehicles to Hyndman Transport Limited, solely with respect to and as against such vehicles (the “**Vehicle Finance Liens**”); and the Prepetition ABL Liens over the ABL Priority Collateral (both as defined in the Final DIP Order);
- (b) Second - the Receiver’s Charge; and
- (c) Third – the DIP Charge.

28. **THIS COURT ORDERS** that the filing, registration or perfection of the Receiver’s Charge or the DIP Charge (collectively, the “**Charges**”) shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect the Charges.

29. **THIS COURT ORDERS** that the Charges (as constituted and defined herein) shall constitute a charge on the Property in Canada and, in the case of the Receiver’s Charge, such Charge shall rank in priority to all other security interests, trust, liens, charges and encumbrances, claims of secured creditor, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person, and in the case of the DIP Charge shall rank in

priority to all Encumbrances other than the Receiver's Charge and the Vehicle Finance Liens and the Prepetition ABL Liens over the ABL Priority Collateral:

30. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Chapter 11 Debtors shall not grant any Encumbrances over any Property in Canada that rank in priority to, or *pari passu* with, the Charges, unless the Chapter 11 Debtors also obtain the prior written consent of the Receiver and the DIP Lender.

31. **THIS COURT ORDERS** that the Receiver's Charge and the DIP Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds any Chapter 11 Debtor, and notwithstanding any provision to the contrary in any Agreement:

- (i) the creation of the Charges shall not create or be deemed to constitute a breach by a Chapter 11 Debtor of any Agreement to which it is a party;
- (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (iii) the payments made by the Chapter 11 Debtors to the Chargees pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

32. **THIS COURT ORDERS** that Charges created by this Order over leases of real property in Canada shall only be a charge in the applicable Chapter 11 Debtors' interest in such real property leases.

REINSTATEMENT OF BANK ACCOUNT OPERATION

33. **THIS COURT ORDERS** that the Chapter 11 Debtors are authorized to reinstate the operation of the bank accounts held in the name of Hyndman Transport Limited in accordance with the terms of MidCap Prepetition ABL Loan Documents (as defined in the Final DIP Order). Despite the foregoing, and any other term in this Order, \$907,000 of the current assets of Hyndman will be segregated and held separate and apart in a trust account by the Receiver pending the determination of the amount of BIA s. 81.3 and 81.4 claims and any trust claims of the Hyndman employees and/or "owner/operator" drivers, on consent of the Receiver, Midcap and Koskie Minsky LLP as counsel to the employees, or as otherwise ordered by this Court.

SERVICE AND NOTICE

34. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://www.ksvadvisory.com/insolvency-cases/case/celadon-group-inc>

35. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Chapter 11 Debtors, the Foreign Representative and the Receiver are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Chapter 11 Debtors'

creditors or other interested parties at their respective addresses as last shown on the records of the applicable Chapter 11 Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

36. **THIS COURT ORDERS** that within five (5) business days from the date of this Order, or as soon as practicable thereafter, the Receiver shall cause to be published a notice once a week for two consecutive weeks, in the Globe and Mail (National Edition) regarding the issuance of the Recognition Order and this Order.

37. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

38. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a monitor, a proposal trustee, or a trustee in bankruptcy of any Chapter 11 Debtor, the Business or the Property.

39. **THIS COURT ORDERS** that within five (5) business days from the date of this Order, or as soon as practicable thereafter, the Receiver shall cause to be published a notice once a week for two consecutive weeks, in the Globe and Mail (National Edition) regarding the issuance of this Order and the Recognition Order.

40. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist the Chapter 11 Debtors, the Foreign Representative, the Receiver, and their respective counsel and agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Chapter 11 Debtors, the Foreign Representative and the Receiver, the latter as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Chapter 11 Debtors, the

Foreign Representative, the Receiver, and their respective counsel and agents in carrying out the terms of this Order.

41. **THIS COURT ORDERS** that each of the Chapter 11 Debtors, the Foreign Representative and the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

42. **THIS COURT ORDERS** that the Guidelines for Communication and Cooperation between Courts in Cross-Border Insolvency Matters issued by the Judicial Insolvency Network and adopted by this Court and the U.S. Bankruptcy Court and attached as Schedule "C" hereto (the "**JIN Guidelines**"), are hereby adopted by this Court for the purposes of these recognition proceedings.

43. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days' notice to the Foreign Representative, the Receiver and the rest of the Service List, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

44. **THIS COURT ORDERS** that this Order shall be effective as of 12:01 a.m. Eastern Standard Time on the date of this Order.

A large, stylized handwritten signature in black ink, appearing to read "Hainey", is written over a horizontal line.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JAN 23 2020

PER / PAR: 

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE WITH RESPECT TO CELADON GROUP, INC. AND THE AFFILIATED ENTITIES LISTED IN FOOTNOTE "1" HERETO

APPLICATION OF CELADON GROUP, INC. PURSUANT TO PART XIII OF THE *BANKRUPTCY AND INSOLVENCY ACT* AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C-43, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto, Ontario

SUPPLEMENTAL ORDER

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Lawyers for the Chapter 11 Debtors and the Foreign
Representative

Appendix “C”



**Report of
KSV Kofman Inc. as
Proposed Receiver of the Canadian
Business and Assets of
Celadon Group, Inc. and the
Entities Listed in Footnote 1 Hereto**

January 22, 2020

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COURT FILE NO.: _____

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

**IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT,
R.S.C. 1985, c. B-3, AS AMENDED**

**AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN
IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE
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BANKRUPTCY AND INSOLVENCY ACT AND SECTION 101 OF THE COURTS OF JUSTICE
ACT (ONTARIO), R.S.O. 1990, c. C-43, AS AMENDED**

**REPORT OF KSV KOFMAN INC.
AS PROPOSED RECEIVER**

JANUARY 22, 2020

1.0 Introduction

1. On December 8, 2019, Celadon Group, Inc. (the “Foreign Representative”) and its affiliated entities¹ listed in footnote 1 to this report (“Report”) (collectively, the “Chapter 11 Debtors”) commenced proceedings by filing voluntary petitions for relief under Chapter 11 of Title 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “US Court”) (the “Chapter 11 Proceedings”). Two of the Chapter 11 Debtors are Canadian corporations: Celadon Canadian Holdings, Limited (“CCHL”) and Hyndman Transport Limited (“Hyndman”) (jointly, the “Canadian Debtors”).
2. On December 9, 2019, the US Court heard the Chapter 11 Debtors’ first day motions and granted numerous orders. On December 16, 2019, the US Court entered an order authorizing Celadon Group, Inc. to act as Foreign Representative for the Chapter 11 Debtors (the “Foreign Representative Order”).

¹ A R Management Services, Inc., Bee Line, Inc., Celadon E-Commerce, Inc., Celadon Canadian Holdings, Celadon International Corporation, Celadon Logistics Services, Inc., Celadon Mexicana, S.A. de C.V., Celadon Realty, LLC, Celadon Trucking Services, Inc., Distribution, Inc., Eagle Logistics Services Inc., Hyndman Transport Limited, Jaguar Logistics, S.A. de C.V., Leasing Servicios, S.A. de C.V., Osborn Transportation, Inc., Quality Companies LLC, Quality Equipment Leasing, LLC, Quality Insurance LLC, Servicios Corporativos Jaguar, S.C., Servicios de Transportacion Jaguar, S.A. de C.V., Stinger Logistics, Inc., Strategic Leasing, Inc., Taylor Express, Inc., Transportation Insurance Services Risk Retention Group, Inc. and Vorbas, LLC.

3. The Foreign Representative is making an application to the Ontario Superior Court of Justice (Commercial List) (the "Ontario Court") for the following:
 - a) an initial recognition order which, *inter alia*, recognizes the Chapter 11 Proceedings as a "foreign main proceeding", recognizes the Foreign Representative as the "foreign representative", stays all proceedings against the Chapter 11 Debtors, and restricts the Chapter 11 Debtors' ability to sell or otherwise dispose of property in Canada (the "Initial Recognition Order"); and
 - b) a supplemental order (the "Supplemental Order", and together with the Initial Recognition Order, the "Recognition Orders") which, *inter alia*, appoints KSV Kofman Inc. ("KSV") as receiver (the "Receiver") of the assets, undertakings and properties of the Chapter 11 Debtors located in Canada, acquired for, or used in relation to the business carried on by the Chapter 11 Debtors in Canada, including all proceeds thereof, under section 101 of the *Courts of Justice Act (Ontario)* ("CJA") and subsection 272(1)(d) of the *Bankruptcy and Insolvency Act* ("BIA"), recognizes certain US Court Orders made in the Chapter 11 Proceedings, grants a stay of proceedings against the Chapter 11 Debtors and establishes certain charges against the Chapter 11 Debtors' property in Canada, including the property of the Canadian Debtors.
4. This Report is filed by KSV in the context of its proposed appointment as Receiver.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide KSV's qualifications to act as Receiver;
 - b) provide background information about the Chapter 11 Debtors and the Chapter 11 Proceedings, including a summary of the US Court Orders for which recognition is being sought from the Ontario Court;
 - c) set out the status of two pending Canadian real property transactions and other property and assets of the Canadian Debtors, including tractors, trailers, cash and accounts receivable;
 - d) discuss an \$11.25 million debtor-in-possession credit facility dated as of December 16, 2019 (the "DIP Facility") between the Chapter 11 Debtors and Blue Torch Finance LLC, as agent for the lenders to the DIP Facility (the "DIP Lenders");
 - e) discuss the proposed Receiver's Charge and DIP Charge (both as defined in the Supplemental Order); and
 - f) recommend that the Ontario Court grant the relief sought by the Foreign Representative.

1.2 Currency

1. All currency references in this Report are to US dollars, unless otherwise noted.

1.3 Restrictions

1. In preparing this Report, KSV has relied upon the Chapter 11 Debtors' unaudited and publicly available financial information, materials filed in the Chapter 11 Proceedings and discussions with the Chapter 11 Debtors' legal counsel (the "Information").
2. KSV has not performed an audit or other verification of the Information. An examination of the Chapter 11 Debtors' financial forecasts as outlined in the *Chartered Professional Accountants of Canada Handbook* has not been performed. Future oriented financial information relied upon in this Report is based on the Chapter 11 Debtors' assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. KSV expresses no opinion or other form of assurance with respect to the accuracy of the Information or any financial information presented in this Report or relied upon by KSV in its preparation of this Report.

1.4 KSV's Qualifications to Act as Receiver

1. KSV is qualified to act as Receiver. KSV's qualifications include:
 - a) KSV is a trustee within the meaning of subsection 2(1) of the BIA; and
 - b) KSV has extensive experience acting as a court officer in cross-border insolvency proceedings in a wide variety of industries, including in the recognition proceedings of Allied Group², which operated in the trucking and transportation industry (as do the Chapter 11 Debtors).
2. KSV has consented to act as Receiver in these proceedings should the Ontario Court grant the Recognition Orders. A copy of KSV's consent to act as Receiver is attached as Appendix "A".

2.0 Background

1. The Chapter 11 Debtors were a significant US-based trucking company, with a fleet of approximately 3,300 tractors and 10,000 trailers and approximately 3,800 employees, including approximately 357 employed by the Canadian Debtors. The Chapter 11 Debtors specialized in international truckload services between the US, Canada and Mexico. The Chapter 11 Debtors' head office is in Indianapolis, Indiana.

² KSV performed this mandate under its predecessor business, Duff & Phelps Canada Restructuring Inc.

2. The Chapter 11 Debtors and affiliated companies are comprised of 32 entities. A copy of the corporate organizational chart is attached as Appendix “B”. In respect of the Canadian Debtors:
 - a) Hyndman operated a fleet of approximately 310 trucks and trailers from owned properties in Wroxeter and Ayr, Ontario and Winnipeg, Manitoba. Hyndman had been in business since 1937; and
 - b) CCHL is an inactive holding company and the sole shareholder of Hyndman.
3. On or around December 9, 2019, all of the Chapter 11 Debtors ceased operations, with the exception of the business operated by Taylor Express, Inc. (“Taylor”), a US debtor. The stated purpose of the Chapter 11 Proceedings is to preserve and sell the Taylor business on a going-concern basis and to conduct an orderly wind down and realization process for the other Chapter 11 Debtors, including the Canadian Debtors.
4. Upon the discontinuation of its business on or around December 9, 2019, Hyndman terminated its workforce, including all but three of its 357 employees and owner-operator drivers. The three employees were retained to manage its facilities. Hyndman’s workforce was not unionized and it did not maintain any registered pension plans.
5. The Chapter 11 Debtors’ principal secured creditors are:
 - a) MidCap Funding IV Trust (“MidCap”), as administrative agent and lender under the Chapter 11 Debtors’ \$60 million revolving credit facility dated July 31, 2019 (the “Revolving Credit Agreement”), which funded the Chapter 11 Debtors’ working capital requirements. The Canadian Debtors are co-borrowers under the Revolving Credit Agreement and granted to MidCap a security interest in substantially all of their assets in order to secure all of the obligations under the Revolving Credit Agreement, which totalled approximately \$31.8 million at the commencement of the Chapter 11 Proceedings, plus interest and costs which continue to accrue. MidCap is also a subordinate secured creditor on the Chapter 11 Debtors’ non-current assets, including their real property and vehicle fleet;
 - b) a group of term loan lenders represented by Blue Torch Finance LLC, as agent (collectively, the “Term Loan Lenders”), who were owed approximately \$103.6 million under a \$105 million term loan facility (the “Term Loan Facility”) at the commencement of the Chapter 11 Proceedings, plus interest and costs which continue to accrue. The Canadian Debtors are secured guarantors under the Term Loan Facility. The Term Loan Lenders are the DIP Lenders in the Chapter 11 Proceedings;
 - c) Luminus Energy Partners Master Fund, Ltd. (“Luminus”), which is a 49.9% shareholder of Celadon Group, Inc. and a secured creditor as a result of its \$30 million “last-out” participation in the Term Loan Facility referenced in 5(b) above; and

- d) numerous vehicle financiers/lessors who have registered security interests in Hyndman's vehicle fleet, the largest of which is Canadian Western Bank ("CWB") (approximately 271 vehicles). CWB is represented by Goldman Sloan Nash & Haber LLP ("GSNH"). GSNH also represents Concentra Bank, Compaction Credit Ltd. and Canadian Equipment Financing and Leasing Inc., which have financed or leased to Hyndman five, eight and eight vehicles, respectively.
6. Further information concerning the Chapter 11 Debtors' background, financial position, corporate structure and the reasons the Chapter 11 Debtors filed for Chapter 11 protection are provided in the December 8, 2019 Declaration of Kathryn Wouters, the Senior Vice President of Finance and Treasurer of Celadon Group, Inc. (the "Wouters Declaration"), which is appended to Ms. Wouters' Affidavit sworn January 22, 2020 and was filed in support of the Foreign Representative's application to the Ontario Court (the "Wouters Affidavit").

3.0 Canadian Employees

1. According to the Affidavit of Jeff Sippel, a former Hyndman employee, sworn January 16, 2020: (a) all but a few of Hyndman's employees were terminated without notice on December 9, 2019; and (b) Hyndman's former employees are owed approximately \$2.3 million in respect of unpaid wages, vacation pay, severance and termination. KSV does not have details as to the allocation of the unpaid amounts owing to the employees in respect of each category of employee obligation.
2. KSV has been advised that Koskie Minsky LLP ("Koskie") represents over 200 former Hyndman employees. At a 9:30 a.m. appointment on January 15, 2020 before Mr. Justice Hainey of the Ontario Court, His Honour issued an endorsement (the "January 15th Endorsement") stating:

"While it is preferable that the U.S. debtors bring a Recognition proceeding and receivership in Canada under Part 13 of the BIA, I am prepared to issue a receivership on the application of the terminated Canadian employees on short notice, and in either case, appoint KSV Kofman as receiver".

A copy of the January 15th Endorsement is attached as Appendix "C".

3. The appointment of a Receiver will allow former Canadian employees to claim and receive statutory payments under the *Wage Earner Protection Program Act* ("WEPPA"), including amounts in respect of unpaid wages and termination pay.
4. If appointed, one of the Receiver's principal activities will be to administer the WEPPA claims process for the former Hyndman employees.

4.0 Property of the Canadian Debtors

4.1 Real Property Sale Transactions

1. As a result of a process carried out by the Chapter 11 Debtors to realize on certain assets, two of the three Canadian real properties are subject to Agreements of Purchase and Sale. Both sale approval motions are scheduled to be heard by the US Court on January 30, 2020. KSV has not yet had an opportunity to discuss the marketing process for these properties with representatives of the Chapter 11 Debtors.
2. KSV understands that the purchase price for the Ayr, Ontario and Winnipeg, Manitoba properties is CAD\$12 million and CAD\$4.25 million, respectively. KSV is not otherwise familiar with the terms of these transactions. KSV intends to discuss these transactions and the related marketing efforts immediately following its appointment.
3. The January 15th Endorsement included the following in respect of the sale of the property owned by the Canadian Debtors: "*The Canadian assets shall not be sold without the approval of this court, despite the sale proceedings underway in the U.S. proceedings of the U.S. debtors*". The Receiver, once appointed, will consider whether it is necessary to register a copy of the Recognition Orders on title to the three Canadian properties. While KSV is cognizant of protecting the interests of Canadian stakeholders, it does not want to take steps that may impair the completion of transactions.
4. Following its appointment, KSV will file a report with the Ontario Court concerning the proposed sale of any property in Canada owned by the Chapter 11 Debtors.

4.2 Cash and Accounts Receivable

1. Following a second 9:30 a.m. appointment, this one on January 20, 2020, Mr. Justice Hainey issued a further endorsement which provided that, *inter alia*, any funds (if any) in the Canadian Debtors' bank accounts, or subsequently deposited into the Canadian Debtors' bank accounts, are to remain in those bank accounts pending the hearing of the Foreign Representative's receivership application. A copy of the January 20th endorsement is attached as Appendix "D".
2. KSV has been advised that, as at the close of business on January 17, 2020, there was approximately CAD\$187,000 and \$24,000 in the Canadian Debtors' Canadian and US dollar bank accounts, respectively.

3. KSV has retained Bennett Jones LLP (“Bennett Jones”) to act as its legal counsel in the event that the Recognition Orders are granted and KSV is appointed as Receiver. On January 22, 2020, Bennett Jones provided an opinion³ which, subject to the standard assumptions and qualifications contained therein, concludes that the security granted by the Canadian Debtors in favour of MidCap, as registered under the PPSA, creates a valid and perfected security interest in the Canadian Debtors’ assets situated in Ontario, Alberta and British Columbia. Bennett Jones also notes that MidCap effected PPSA registrations against the Canadian Debtors in Manitoba and Saskatchewan, but the opinion does not provide an opinion under those jurisdictions as Bennett Jones does not practice in Manitoba or Saskatchewan.
4. Based on Bennett Jones’ review of the PPSA searches, it appears that the only registrations ranking ahead of MidCap are by Blue Torch Finance LLC in respect of the Term Loan Facility (which KSV understands to have been subordinated to MidCap in respect of certain collateral, including cash receipts) and by vehicle or equipment financiers and lessors.
5. Based on the foregoing, KSV believes it is appropriate that the Canadian Debtors’ accounts receivable collections are swept and applied against MidCap’s Revolving Credit Agreement on a daily basis. KSV has been advised that these proceeds contribute to fund the Chapter 11 Proceedings.

4.3 Trucks and Trailers

1. KSV understands that a large percentage of Hyndman’s fleet has been repossessed, including a large number that were financed by CWB. KSV understands that CWB is conducting its own realization process for these vehicles. KSV is unaware whether any other fleet financiers have also repossessed their trucks and trailers.
2. On January 21, 2020, KSV sent a representative to Hyndman’s facility in Ayr, Ontario to determine if any vehicles remained on site. KSV’s representative advised that several trucks and trailers do remain on site. Once appointed, KSV intends to discuss the sale of these vehicles with the Chapter 11 Debtors and the secured creditors having a charge on them. KSV understands that any rolling stock in Canada is likely to be included in a sale of all rolling stock owned by the Chapter 11 Debtors. Ontario Court approval is intended to be sought to the extent rolling stock owned by the Canadian Debtors is included in the sale.
3. The Chapter 11 Debtors have allowed vehicle lessors and financiers to have access to their various premises, including those in Canada, in order to take possession of their collateral. That process is expected to continue.

³ A copy of the security opinion will be made available to the Ontario Court should it wish to review it.

5.0 US Court Orders

1. The Foreign Representative is seeking recognition of the following US Court Orders by the Ontario Court:
 - a) Foreign Representative Order, which authorizes the Foreign Representative to act as the “foreign representative” under Section 269 of the BIA in order to seek the relief sought in its application; and
 - b) Final DIP Order, which authorizes the advances under the DIP Facility to be used to finance the Chapter 11 Proceedings and contemplates that advances under the DIP Facility would be secured by a super-priority charge in both the US and Canada. The terms of the DIP Facility are summarized below in Section 6 of this Report.

6.0 The DIP Facility⁴

1. As set out in the Wouters Declaration and the Wouters Affidavit, the Chapter 11 Debtors, including the Canadian Debtors, require financing during the Chapter 11 Proceedings to provide the necessary liquidity to wind down their businesses on an orderly basis. It is unclear to KSV at this point what portion of this facility is required for the Canadian Debtors’ realization process.
2. A copy of the DIP Facility is appended to the Foreign Representative’s application materials and summarized in the Wouters Affidavit. A summary of the key terms of the DIP Facility is provided in the table below.

| | |
|------------------------------|---|
| Borrower | Celadon Group, Inc. |
| Guarantors | The Chapter 11 Debtors, including the Canadian Debtors |
| Nature of Liability | Canadian Debtors and other Chapter 11 Debtors are to be jointly and severally liable for all obligations under the DIP Facility |
| Post-petition Lenders | The DIP Lenders, being the same parties as the Prepetition Term Lenders |
| DIP Agent | Blue Torch Finance LLC |
| Commitment | Up to \$11.25 million |
| Interest Rate | Base Rate plus 12.5% (effective interest rate of 17.5%) |
| Expenses and Fees | \$725,000 (including facility, administration, exit and other fees) plus 2.5% of net sale proceeds in excess of the amounts required to repay the DIP Facility, the Prepetition ABL Obligations and the Prepetition Term Loan Obligations |
| Budget | The Chapter 11 Debtors must operate in accordance with the DIP Budget |
| Priority Charge | It is contemplated that advances under the DIP Facility will be secured by the DIP Charge over the Chapter 11 Debtors’ property in Canada, which is proposed to rank subordinate only to the Receiver’s Charge, Vehicle Finance Liens (as defined in the Supplemental Order) and MidCap’s ABL Priority Collateral |

⁴ Capitalized terms not otherwise defined in this section of the Report are as defined in the DIP Facility.

3. In assessing the reasonableness of the DIP Facility and the proposed recognition of the Final DIP Order, KSV considered the following:
- a) once the Recognition Orders are issued, there should be no prejudice to Canadian creditors in recognizing the DIP Facility as there would be a mechanism in place to protect Canadian creditors to the extent required:
 - (i) Canadian real property or other transactions are subject to the approval of the Ontario Court and any distribution of proceeds therefrom to the DIP Lenders will be subject to further order of the Ontario Court; and
 - (ii) many of Hyndman's vehicle financiers will be conducting their own realization processes for the Hyndman vehicles they financed. To the extent owned vehicles remain on site, their sale will be subject to an order of the Ontario Court. KSV will also be vetting the security⁵ and writing to all equipment lessors/financiers who have repossessed their vehicles to obtain an accounting of the sale proceeds so that it can determine if there is any equity that should be made available to subsequent ranking creditors;
 - b) the Canadian Debtors are secured guarantors under the Term Loan Facility and, accordingly, the DIP Facility does not grant security over any previously unencumbered assets of the Canadian Debtors;
 - c) the Chapter 11 Debtors have filed sale approval motions for a number of pending transactions, including the Taylor business for \$14.5 million⁶ and the Canadian Debtors' real property in Ayr, Ontario and Winnipeg, Manitoba for CAD\$12 million and CAD\$4.25 million, respectively. The proceeds of these transactions are sufficient to repay in full the DIP Facility after considering the Carve-Out and Permitted Liens;
 - d) while the pricing of the DIP Facility is significant (an effective interest rate of 17.5% plus fees of at least \$725,000), the Wouters Declaration states that the DIP Facility is the result of arm's-length negotiations between the Chapter 11 Debtors and the DIP Lenders. The DIP Facility has been approved by the US Court with the consent of the secured creditors and the funds available under the DIP Facility have been advanced to the Chapter 11 Debtors; and
 - e) as a result of the controls put in place over assets in Canada set out in paragraph 3(a) above, KSV believes that there should be sufficient recoveries in Canada to repay in full all priming obligations in Canada. Any remaining balance (net of administrative costs in Canada) would be paid to the Chapter 11 Debtors for distribution to creditors in the Chapter 11 Proceedings. KSV expects that unsecured creditors of the Canadian Debtors would be treated consistently with unsecured creditors of the Chapter 11 proceedings, which is appropriate in the context of the Recognition Orders.

⁵ Bennett Jones is in the process of compiling the security documents it requires to prepare an opinion on the validity of the security granted in favour of Blue Torch Finance LLC.

⁶ This transaction is not subject to these proceedings.

4. Based on the foregoing, KSV does not believe that any creditor with an economic interest in the Canadian Debtors' assets will be materially prejudiced by the recognition of the Final DIP Order and/or the granting of the DIP Charge.

7.0 Court Ordered Charges

1. In addition to the DIP Charge, the proposed Supplemental Order contemplates a charge in favour of the Receiver for its fees and disbursements, including legal fees (the "Receiver's Charge").
2. The Foreign Representative is seeking a Receiver's Charge in an amount not to exceed \$350,000 to secure the fees and expenses of the Receiver and its counsel.
3. A Receiver's Charge is a customary provision in a receivership order - it is required by the professionals involved to protect their fees and costs in the event the debtors are unable to pay those amounts during the insolvency process.
4. KSV believes that the amount of the Receiver's Charge is reasonable in the circumstances given the scope of its anticipated mandate.

8.0 Conclusion and Recommendation

1. Based on the foregoing, KSV recommends that this Honourable Court grant the Recognition Orders sought by the Foreign Representative.

* * *

All of which is respectfully submitted,



**KSV KOFMAN INC.
SOLELY IN ITS CAPACITY AS PROPOSED RECEIVER OF
THE CANADIAN BUSINESS AND ASSETS OF CELADON GROUP, INC. AND
THE AFFILIATED ENTITIES LISTED IN FOOTNOTE 1 HERETO
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “D”

"**Proceedings**"), was heard on January 23, 2020, at 330 University Avenue, Toronto, Ontario, with decision being reserved until this day.

ON READING the Affidavit of Jeff Sippel sworn on January 16, 2020 and on hearing the submissions of counsel for Jeff Sippel and certain other employees, counsel to Celadon Group, Inc., counsel to KSV Kofman Inc., in its capacity as Receiver of certain property of Hyndman Canada, counsel to Blue Torch Finance LLC, and counsel to Midcap Financial Trust.

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion record is hereby abridged and validated so that this Motion was properly returnable on January 23, 2020 and that further service is hereby dispensed with.
2. **THIS COURT ORDERS** that Jeff Sippel is hereby appointed as Representative pursuant to Rules 10.01 and 12.07 of the *Rules of Civil Procedure* of the Employees in the Applicants' proceedings under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**"), or in any other proceeding which has been or may be brought before this Honourable Court (the "**Proceedings**") with respect to the Applicants.
3. **THIS COURT ORDERS** that KM is appointed as Representative Counsel for the Employees in the Proceedings for the purpose of determining and/or settling any Claim (as defined herein) in respect of an individual Employee, or group or class of Employees, arising out of the employment, former employment or termination of employment of the Employees by Hyndman Canada.
4. **THIS COURT DECLARES** that a Claim is any amount owing which has now arisen or may arise under (a) law or equity and/or, or (b) federal or provincial legislation or

regulations thereunder, including but not limited to, claims under employment standards legislation or any other provincial or federal legislation, or regulation applicable to the Employees (collectively, "**Labour Laws**"), including vacation pay or unpaid bonuses, and which qualify for a payment to the Employee under the *Wage Earner Protection Program* ("**WEPP**"); and/or qualify as a secured claim under sections 81.3 and/or 81.4 of the BIA, as applicable; or certain claims of owner/operators in respect of which the Receiver is holding the approximate total amount of \$107,000.

5. **THIS COURT ORDERS** that Representative Counsel shall have access to and be provided with copies of all relevant records and data with respect to the Employees kept by Hyndman Canada as an employer of the Employees under Labour Laws, whether on paper, electronic or any other form.
6. **THIS COURT ORDERS** that pursuant to section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* S.C. 2000, c. 5, the Receiver and Hyndman Canada are authorized and permitted to disclose personal information of identifiable individuals who are believed to be Employees to Representative Counsel, and Representative Counsel shall maintain and protect the privacy of such information and shall limit the use of such information to its role as Representative Counsel in the Proceedings.
7. **THIS COURT DECLARES** that any individual Employee who does not wish to be represented by KM in the Proceedings shall, within 30 days of the issuance of this Order, notify the Receiver and KM in writing that he or she is opting out of representation by KM and shall thereafter not be bound by the actions of KM and is free to represent

himself or herself, or be represented by any other counsel that he or she may retain at his or her own expense.

8. **THIS COURT ORDERS** that the Receiver shall forthwith from the date of issuance of this Order, send a notice ("**Notice**") substantially in the form attached hereto as "**Schedule A**" to all of the Employees for which contact information is available based on the addresses and contact information provided by Hyndman Canada, by email or regular mail. The Notice shall also be posted on the Receiver's and KM's websites, respectively, in respect of the Proceedings.
9. **THIS COURT ORDERS** that Representative Counsel is authorized to take all steps and to do all necessary or desirable acts in carrying out the terms of this Order, including dealing Service Canada, the administrator of WEPP, or any successor thereto, and to take all such steps as are necessary or incidental thereto.
10. **THIS COURT ORDERS** that the professional fees incurred by Representative Counsel on behalf of the Employees up to and including January 23, 2020 shall be paid by the Applicant in the total amount of \$77,618.25 CAD, inclusive of taxes and disbursements, which amounts shall be paid from the proceeds of sale of the Ayr property, municipally described as 2616 Cedar Creek Road, Ayr, Ontario.
11. **THIS COURT ORDERS** that Jeff Sippel and KM shall not have any liability as a result of their appointment or the fulfilment of its duties in carrying out the provisions of this Order, except for claims based on gross negligence or wilful misconduct on their part.

12. **THIS COURT ORDERS** that KM shall be at liberty and is authorized at any time to apply to this Court for advice and directions in the discharge or variation of its powers and duties as Representative Counsel in the Proceedings.

SUPERIOR COURT OF JUSTICE
ENTERED
MAR 16 2020 C.D.
COUR SUPÉRIEURE DE JUSTICE
ENTRÉ

Hainey J. per McE.T.
NAINEX, J.
due to Covid-19 crisis

Schedule "A"

Court File No. CV-20-00634911-00CL

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

**THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3,
AS AMENDED**

**AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE UNITED
STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE WITH
RESPECT TO CELADON GROUP, INC. AND THE AFFILIATED ENTITIES LISTED
IN FOOTNOTE "1" HERETO**

**APPLICATION OF CELADON GROUP, INC. PURSUANT TO PART XIII OF
THE *BANKRUPTCY AND INSOLVENCY ACT* AND SECTION 101 OF THE *COURTS
OF JUSTICE ACT*, R.S.O. 1990, c. C.-43, AS AMENDED**

NOTICE TO EMPLOYEES

On January 23, 2020, Celadon Group, Inc., an affiliate of Hyndman Transport Limited ("**Hyndman Canada**"), commenced proceedings in the Ontario Superior Court of Justice – Commercial List (the "**Court**") under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3. On that date, the Court also appointed KSV Kofman Inc. as Receiver of Hyndman Canada.

TAKE NOTICE THAT, pursuant to Order of the Court dated February 12, 2020:

The law firm of Koskie Minsky LLP ("**KM**") was appointed as Representative Counsel of all current and former employees of Hyndman Canada in the proceeding, including those drivers referred to as "owners/operators". A copy of the Order is enclosed for your reference. Contact Information for Representative Counsel is below:

Website: ●
Email: ●
Toll-free Hotline: ●

IF YOU DO NOT WISH TO BE REPRESENTED in the proceeding by **KM** as Representative Counsel and wish to represent yourself or be represented by another

lawyer at your own cost, you must, before ●, 2020, provide notice in writing (by letter or email) to both KM and KSV Kofman Inc. indicating that you wish to opt-out of such representation:

Koskie Minsky LLP
Attention: Hyndman Canada
Employee Representative Counsel
20 Queen Street West
Suite 900, Box 52
Toronto, ON M5H 3R3

E-mail: ●

KSV Kofman Inc.

Attention: Receiver of Hyndman Canada
150 King Street West, Suite 2308
Toronto, Ontario, M5H 1J9

E-mail: ●

Court File No. CV-20-00634911-00CL

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED
AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE WITH
RESPECT TO CELADON GROUP, INC. AND THE AFFILIATED ENTITIES LISTED IN FOOTNOTE "1" HERETO
APPLICATION OF CELADON GROUP, INC. PURSUANT TO PART XIII OF THE *BANKRUPTCY AND INSOLVENCY ACT* AND SECTION 101 OF THE *COURTS
OF JUSTICE ACT*, R.S.O. 1990, c. C.-43, AS AMENDED

ONTARIO

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

Proceeding commenced at Toronto

ORDER

(Employee Representation Order)

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Counsel to Jeff Sippel and certain other employees of
Hyndman Transport Limited

Appendix “E”

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

-----X
:
In re: : Chapter 11
:
CELADON GROUP, INC., *et al.*,¹ : Case No. 19-12606 (KBO)
:
Debtors. : (Jointly Administered)
:
: **Related D.I.: 681 & 792**
-----X

**ORDER (I) ESTABLISHING DEADLINES FOR FILING PROOFS OF CLAIM,
INCLUDING SECTION 503(b)(9) CLAIMS, (II) APPROVING THE FORM AND
MANNER OF NOTICE THEREOF, AND (III)
GRANTING RELATED RELIEF**

This matter coming before the Court upon the *Motion of the Debtors for Entry of an Order (I) Establishing Deadlines for Filing Proofs of Claim, Including Section 503(b)(9) Claims, (II) Approving the Form and Manner of Notice Thereof, and (III) Granting Related Relief* (the "Motion"),² for entry of an order (i) establishing deadlines for filing proofs of claim, including section 503(b)(9) claims, (ii) approving the form and manner of notice thereof, and (iii) granting related relief; all as further described in the Motion; and upon the record of these chapter 11 cases;

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Celadon Group, Inc. (1050); A R Management Services, Inc. (3604); Bee Line, Inc. (5403); Celadon Canadian Holdings, Limited (2539); Celadon E-Commerce, Inc. (2711); Celadon International Corporation (5246); Celadon Logistics Services, Inc. (0834); Celadon Mexicana, S.A. de C.V. (6NL7); Celadon Realty, LLC (2559); Celadon Trucking Services, Inc. (6138); Distribution, Inc. (0488); Eagle Logistics Services Inc. (7667); Hyndman Transport Limited (3249); Jaguar Logistics, S.A. de C.V. (66D1); Leasing Servicios, S.A. de C.V. (9MUA); Osborn Transportation, Inc. (7467); Quality Companies LLC (4073); Quality Equipment Leasing, LLC (2403); Quality Insurance LLC (7248); Servicios Corporativos Jaguar, S.C. (78CA); Servicios de Transportación Jaguar, S.A. de C.V. (5R68); Stinger Logistics, Inc. (3860); Strategic Leasing, Inc. (7534); Taylor Express, Inc. (9779); and Vorbas, LLC (8936). The corporate headquarters and the mailing address for the Debtors listed above is 9503 East 33rd Street, One Celadon Drive, Indianapolis, IN 46235.

² Capitalized terms used but not otherwise defined in this Order shall have the meanings ascribed to them in the Motion.



and this Court having found that (i) this Court has jurisdiction over the Debtors, their estates, property of their estates and to consider the Motion and the relief requested therein under 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012, (ii) this Court may enter a final order consistent with Article III of the United States Constitution, (iii) this is a core proceeding under 28 U.S.C. § 157(b)(2)(A), (iv) venue of the Motion in this district is proper under 28 U.S.C. §§1408 and 1409, and (v) no further or other notice of the Motion is required under the circumstances; and this Court having reviewed the Motion and having heard the statements in support of the relief requested in the Motion at a hearing before this Court (the “Hearing”); and having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted in this Order; and this Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors’ estates, their creditors and other parties in interest; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth in this Order.
2. General Bar Date: **April 30, 2020 at 4:00 p.m. (ET)** shall be the General Bar Date, by which all persons and entities, including holders of 503(b)(9) Claims, but excluding Governmental Units, must file Proofs of Claim.
3. Governmental Bar Date: **June 5, 2020 at 4:00 p.m. (ET)** shall be the Governmental Bar Date by which all Governmental Units shall file Proofs of Claim.
4. Rejection Damages Claims Bar Date: the Rejection Damages Claims Bar Date shall be the later of (i) the General Bar Date or the Governmental Bar Date, as applicable; (ii) 4:00 p.m. (ET) on the date that is thirty (30) days after entry of an order approving the rejection of

an executory contract or unexpired lease (a “Rejection Order”); or (iii) any other date that the Court may fix in the applicable Rejection Order.

5. Amended Schedules Bar Date: If the Debtors amend or supplement their Schedules, the affected creditor, if it chooses, shall file a proof of claim, or amend a previously filed proof of claim, on or before the later of (i) the General Bar Date or Governmental Bar Date, as applicable, and (ii) 4:00 p.m. (ET) on the date that is thirty (30) days from the date the Debtors filed and served notice of the amendment or supplement.

6. The Bar Date Notice, substantially in the form attached in this Order as Exhibit 1, is APPROVED.

7. The Publication Notice, substantially in the form attached to this Order as Exhibit 2, is APPROVED.

8. The Proof of Claim Form, substantially in the form attached to this Order as Exhibit 3, is APPROVED.

9. The following procedures for filing Proofs of Claim are hereby approved and adopted in these chapter 11 cases:

- (a) Proofs of Claim must conform substantially to the Proof of Claim Form;
- (b) All Proofs of Claim must be actually received on or before the applicable Bar Date associated with such claim by the Debtors’ Court-approved claims and noticing agent in these Chapter 11 Cases, Kurtzman Carson Consultants LLC (“KCC”). All Proofs of Claim must be filed electronically at <https://epoc.kccllc.net/Celadon>, or sent to KCC by US Mail or other hand delivery system, addressed to: **Celadon Group Claims Processing Center c/o KCC, 222 N. Pacific Coast Highway, Suite 300, El Segundo, CA 90245**;
- (c) Proofs of Claim will be deemed timely filed only if they are actually received by KCC on or before the applicable Bar Date. Proofs of Claim submitted by facsimile or e-mail will *not* be accepted;
- (d) Proofs of Claim must: (i) be in writing and signed by the claimant, or, if the claimant is not an individual, by an authorized agent of the claimant; (ii) include supporting

documentation or, if voluminous, a summary of the supporting documents and an explanation as to why documentation is not available and where the such supporting documentation may be obtain; (iii) be in the English language; and (iv) be denominated in United States currency (USD);

- (e) In addition to the foregoing, 503(b)(9) Claims must also: (i) include the value of the goods delivered to and received by the applicable Debtor within twenty (20) days prior to the Petition Date; (ii) attach any documentation identifying the particular invoice(s) corresponding to the asserted 503(b)(9) Claim and delivery address; and (iii) attach documentation evidencing the delivery of the goods delivered to and received by the applicable Debtor within twenty (20) days prior to the Petition Date;
- (f) Each Proof of Claim must specify, by name, the Debtor against which the claim is asserted, and, if the holder asserts a claim against more than one Debtor, a separate Proof of Claim must be filed against each such Debtor; and
- (g) Any person or entity that files a Proof of Claim by mail and wishes to receive a date-stamped copy by return mail should include an additional copy of the Proof of Claim and a self-addressed, postage-paid envelope.

10. The following persons and entities are *not* required to file a Proof of Claim in accordance with the procedures set forth in this Order:

- (a) Any person or entity that has already properly filed a Proof of Claim against a Debtor with KCC or the Clerk of the United States Bankruptcy Court for the District of Delaware, in a form substantially similar to Official Form 410;
- (b) Any person or entity whose claim is listed on a Debtor's Schedule D or E/F, and (i) the claim is not described as "disputed," "contingent," or "unliquidated," (ii) such person or entity agrees with the amount, nature, and priority of the claim set forth in the Debtor's Schedules, and (iii) such person or entity agrees that the claim is an obligation of the specific Debtor that listed the claim in its Schedules;
- (c) Any person or entity whose claim has been allowed by an order of the Court entered on or before the applicable Bar Date;
- (d) Any person or entity whose claim has been paid or otherwise satisfied in full by the Debtors or any other party prior to the applicable Bar Date;
- (e) Any holder of a claim for which the Court has already fixed a specific deadline to file a Proof of Claim;
- (f) Any holder of an equity interest in any Debtor with respect to the ownership of such equity interest; *provided, however*, that any holder of an equity interest wishing to

assert a claim against any Debtor other than with respect to ownership of such equity interest, including, but not limited to, a claim relating to the purchase or sale of such interest or rescission under section 510 of the Bankruptcy Code, must submit a proof of claim on or before the applicable Bar Date pursuant to the procedures set forth herein;

- (g) Any Affiliate (as defined in section 101(2) of the Bankruptcy Code) of the Debtors that is a creditor for its claims against any other Debtor; and
- (h) The DIP Agent on account of claims and obligations arising under the DIP Financing, as such terms are defined in the *Final Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, and 507 (I) Authorizing the Debtors to Obtain Senior Secured Superpriority Postpetition Financing; (II) Granting (A) Liens and Superpriority Administrative Expense Claims and (B) Adequate Protection to Certain Prepetition Lenders; (III) Authorizing Use of Cash Collateral; (IV) Modifying the Automatic Stay; and (V) Granting Related Relief* [D.I. 230] (the "Final DIP Order").³

11. Supplemental Mailings and Publication. After the initial mailing of the Bar Date Notice, the Debtors are authorized to may make supplemental mailings of notices, including in the event that (a) notices are returned by the post office with forwarding addresses, (b) certain parties acting on behalf of claimants decline to pass along notices to claimants and instead return their names and addresses to the Debtors for direct mailing, and (c) additional potential holders of claims or creditors' contact information become known. If applicable, the Debtors shall make such supplemental mailings of the Bar Date Notice in these and similar circumstances at any time up to twenty-one (21) days in advance of the applicable Bar Date, with any such mailings being deemed timely and the Bar Date being applicable to such holders of claims.

12. The Debtors shall publish the Publication Notice in the national edition of the Wall Street Journal, New York Times, USA Today, or another national newspaper with similar

³ For the avoidance of doubt, pursuant to section 5.28 of the Final DIP Order, none of the Prepetition Secured Parties shall be required to file proofs of claim in any of these chapter 11 cases. Notwithstanding the foregoing, any Prepetition Agent (on behalf of itself and the Prepetition Lenders) is authorized, but not required, to file a master proof of claim for any claims of any of the Prepetition Secured Parties arising from the Prepetition Loan Documents or in respect of the Prepetition Obligations.

readership and circulation, (ii) once in a local publication in Indianapolis, and (iii) once in a national newspaper in Canada. The Publication Notice shall be deemed to provide effective notice of the applicable Bar Dates to all creditors, including (a) any creditors who are unknown or not reasonably ascertainable by the Debtors, (b) known creditors with addresses that are unknown to the Debtors or are no longer accurate and/or updated, and (c) potential creditors with claims against the Debtors.

13. **Any holder of a claim against any Debtor who receives notice of the applicable Bar Date (whether such notice was actually or constructively received), and is required, but fails to file a Proof of Claim in accordance with this Order on or before the applicable Bar Date (a) may be forever barred, estopped, and enjoined from asserting such claim against any Debtor (or filing a Proof of Claim with respect thereto), and such Debtor and its property may, upon confirmation of a chapter 11 plan with respect thereto, be forever discharged from all indebtedness and liability with respect to such claim and (b) may not receive or be entitled to receive any payment or distribution of property from the Debtors or their successors or assigns with respect to such claim.**

14. Within five (5) business days after entry of this Order, the Debtors shall cause service of the Bar Date Notice, substantially in the form attached to this Order as **Exhibit 1**, by first class U.S. mail, postage prepaid, by email, or by facsimile, in accordance with Local Rule 2002-1(c), along with a copy of the Proof of Claim Form on the following parties:

- (a) All parties that have requested notice in these chapter 11 cases;
- (b) All persons or entities that have previously filed Proofs of Claim;
- (c) All known or suspected holders of claims against any Debtor as of the Petition Date, including all persons or entities listed in the Schedules or that have previously filed a Proof of Claim;

- (d) All parties to executory contracts and unexpired leases of the Debtors;
- (e) All parties in litigation with the Debtors;
- (f) All applicable Governmental Units, including the Internal Revenue Service, the U.S. Attorney for the District of Delaware, the Securities and Exchange Commission, and the Office of the Attorney General in all states in which the Debtors operate, own, or lease property, and/or file tax returns.

15. The Debtors shall mail the Bar Date Notice to each of the foregoing party's last known address included in the Debtors' books and records.

16. Nothing in this Order shall prejudice the right of any Debtor or any other party in interest to dispute, or to assert offsets or defenses to, any claim reflected in the Debtors' Schedules as to amount, liability, characterization, or otherwise, and to subsequently designate any claim as disputed, contingent, or unliquidated.

17. The ACE Companies and the Chubb Companies: Notwithstanding anything to the contrary in this Bar Date Order, any provision of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, any order of this Court, any proof of claim form or notice of the bar date, (a) ACE American Insurance Company, on its own behalf and on behalf of all of its U.S.-based affiliates and successors (collectively, the "ACE Companies"),⁴ may file a single consolidated proof of claim (the "ACE Proof of Claim") in the chapter 11 case of Celadon Group, Inc., Case No. 19-12606 (the "Lead Case"), which shall be deemed filed by each of the ACE Companies not only in the Lead Case, but also in the chapter 11 case of each of the Debtors; (b) Federal Insurance Company, on its own behalf and on behalf of all of its U.S.-based affiliates and successors

⁴ As used herein, the ACE Companies shall refer to only those entities related to ACE American Insurance Company prior to January 14, 2016 (the date on which the ACE Companies completed an acquisition of the Chubb group of companies).

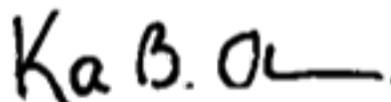
(collectively, the “Chubb Companies”),⁵ may file a single consolidated proof of claim (the “Chubb Proof of Claim”) and, collectively with the ACE Proof of Claim, the “Consolidated Claims”) in the Lead Case, which shall be deemed filed by each of the Chubb Companies not only in the Lead Case, but also in the chapter 11 case of each of the Debtors; and (c) as the documents supporting the Consolidated Claims are voluminous and contain confidential information, the documents supporting the Consolidated Claims will not need to be filed with the Consolidated Claims, provided, however, that the documents supporting the Consolidated Claims will be provided to the Debtors and the Committee upon request. Nothing contained in this paragraph shall be construed as a waiver or modification of any rights, claims or defenses, including, without limitation, the right of the ACE Companies or the Chubb Companies to (a) assert joint and several liability against some or all of the Debtors, (b) modify the Debtor(s) against which the Consolidated Claims are asserted, or (c) amend the amount or nature of the Consolidated Claims; provided, however, that the Consolidated Claims shall not be disallowed, reduced or expunged solely on the basis that the Consolidated Claims are filed (i) only in the Lead Case and only against Celadon Group, Inc. (instead of in the bankruptcy cases of each or any of the other Debtors), and/or (ii) only by either ACE American Insurance Company or Federal Insurance Company (instead of by each of the ACE Companies and the Chubb Companies).

⁵ As used herein, the Chubb Companies shall refer to only those entities related to Federal Insurance Company prior to January 14, 2016 (the date on which the ACE American Insurance Company and its affiliates completed an acquisition of the Chubb Companies).

18. The Debtors are authorized to take such steps and perform such acts as may be necessary or appropriate to implement and effectuate the terms of this Order.

19. This Court shall retain jurisdiction over any and all matters arising from the interpretation or implementation of this Order.

Dated: March 30th, 2020
Wilmington, Delaware

Handwritten signature of Karen B. Owens in black ink.

KAREN B. OWENS
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

(Bar Date Note)

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

-----X
 :
 In re: : Chapter 11
 :
 CELADON GROUP, INC., *et al.*,¹ : Case No. 19-12606 (KBO)
 :
 Debtors. : (Jointly Administered)
 :
 : **Related D.I.: 681**
 :
 -----X

**NOTICE OF DEADLINE FOR FILING PROOFS OF CLAIM,
INCLUDING 503(b)(9) CLAIMS**

PLEASE TAKE NOTICE, on December 8, 2019 (the “Petition Date”), Celadon Group, Inc. and its affiliated debtors (collectively, the “Debtors”) in the above-captioned chapter 11 cases each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).

PLEASE TAKE FURTHER NOTICE that, on [_____, 2020], the United States Bankruptcy Court for the District of Delaware (the “Court”) entered an order (the “Bar Date Order”) establishing:

- (a) **General Bar Date: April 30, 2020 at 4:00 p.m. (ET)** as the “General Bar Date” and deadline for all persons or entities, other than Governmental Units (as defined in section 101(27) of the Bankruptcy Code), to file proofs of claim (each, a “Proof of Claim”) based on claims against any Debtor that arose prior to the Petition Date, including claims for the value of goods sold to any Debtor in the ordinary course of business and received by such Debtor within twenty (20) days before the Petition Date (each, a “503(b)(9) Claim”) that remain unpaid;
- (b) **Governmental Bar Date: June 5, 2020 at 4:00 p.m. (ET)** as the “Governmental Bar Date” and deadline for all Governmental Units to file Proofs of Claim against

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Celadon Group, Inc. (1050); A R Management Services, Inc. (3604); Bee Line, Inc. (5403); Celadon Canadian Holdings, Limited (2539); Celadon E-Commerce, Inc. (2711); Celadon International Corporation (5246); Celadon Logistics Services, Inc. (0834); Celadon Mexicana, S.A. de C.V. (6NL7); Celadon Realty, LLC (2559); Celadon Trucking Services, Inc. (6138); Distribution, Inc. (0488); Eagle Logistics Services Inc. (7667); Hyndman Transport Limited (3249); Jaguar Logistics, S.A. de C.V. (66D1); Leasing Servicios, S.A. de C.V. (9MUA); Osborn Transportation, Inc. (7467); Quality Companies LLC (4073); Quality Equipment Leasing, LLC (2403); Quality Insurance LLC (7248); Servicios Corporativos Jaguar, S.C. (78CA); Servicios de Transportación Jaguar, S.A. de C.V. (5R68); Stinger Logistics, Inc. (3860); Strategic Leasing, Inc. (7534); Taylor Express, Inc. (9779); and Vorbas, LLC (8936). The corporate headquarters and the mailing address for the Debtors listed above is 9503 East 33rd Street, One Celadon Drive, Indianapolis, IN 46235.

the Debtors based on claims against any Debtor that arose prior to the Petition Date that remain unpaid;

- (c) **Rejection Damages Claims Bar Date:** the Rejection Damages Claims Bar Date shall be the later of (i) the General Bar Date or the Governmental Bar Date, as applicable; (ii) 4:00 p.m. (ET) on the date that is thirty (30) days after entry of an order approving the rejection of an executory contract or unexpired lease (a “Rejection Order”); or (iii) any other date that the Court may fix in the applicable Rejection Order.
- (d) **Amended Schedules Bar Date:** If the Debtors amend or supplement their Schedules, the affected creditor, if it chooses, shall file a proof of claim, or amend a previously filed proof of claim, on or before the later of (i) the General Bar Date or Governmental Bar Date, as applicable, and (ii) 4:00 p.m. (ET) on the date that is thirty (30) days from the date the Debtors filed and served notice of the amendment or supplement.

You should consult an attorney if you have any questions, including whether to file a Proof of Claim or Administrative Claim Request. If you have any questions with respect to this notice, you may contact the Debtors’ claims and noticing agent, Kurtzman Carson Consultants LLC (“KCC”) at (866) 927-7078 (toll-free) or (310) 751-2651 (international) or visit KCC’s website at <https://www.kccllc.net/Celadon>. KCC is not permitted to provide legal advice.

I. WHO MUST FILE A PROOF OF CLAIM

You **MUST** file a Proof of Claim if you have a claim that arose prior to the Petition Date, and it is not a claim described in Section II below. Acts or omissions of the Debtors that arose prior to the Petition Date may give rise to claims against the Debtors that must be filed by the applicable Bar Dates, notwithstanding that such claims may not have matured or become fixed or liquidated as of the Petition Date.

Pursuant to section 101(5) of the Bankruptcy Code and as used herein, the word “claim” means: (a) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or (b) a right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

Proofs of Claim will be deemed timely filed **only if** they are actually received by KCC on or before the applicable Bar Date. Proofs of Claim submitted by facsimile or e-mail **will not be accepted**.

II. WHO DOES NOT NEED TO FILE A PROOF OF CLAIM

- (a) Any person or entity that has already properly filed a Proof of Claim against a Debtor with KCC or the Clerk of the United States Bankruptcy Court for the District of Delaware, in a form substantially similar to Official Form 410;
- (b) Any person or entity whose claim is listed on a Debtor's Schedule D or E/F, and (i) the claim is not described as "disputed," "contingent," or "unliquidated," (ii) such person or entity agrees with the amount, nature, and priority of the claim set forth in the Debtor's Schedules, and (iii) such person or entity agrees that the claim is an obligation of the specific Debtor that listed the claim in its Schedules;
- (c) Any person or entity whose claim has been allowed by an order of the Court entered on or before the applicable Bar Date;
- (d) Any person or entity whose claim has been paid or otherwise satisfied in full by the Debtors or any other party prior to the applicable Bar Date;
- (e) Any holder of a claim for which the Court has already fixed a specific deadline to file a Proof of Claim;
- (f) Any holder of an equity interest in any Debtor with respect to the ownership of such equity interest; *provided, however*, that any holder of an equity interest wishing to assert a claim against any Debtor other than with respect to ownership of such equity interest, including, but not limited to, a claim relating to the purchase or sale of such interest or rescission under section 510 of the Bankruptcy Code, must submit a proof of claim on or before the applicable Bar Date pursuant to the procedures set forth herein;
- (g) Any Affiliate (as defined in section 101(2) of the Bankruptcy Code) of the Debtors that is a creditor for its claims against any other Debtor; and
- (h) The DIP Agent on account of claims and obligations arising under the DIP Financing, as such terms are defined in the *Final Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, and 507 (I) Authorizing the Debtors to Obtain Senior Secured Superpriority Postpetition Financing; (II) Granting (A) Liens and Superpriority Administrative Expense Claims and (B) Adequate Protection to Certain Prepetition Lenders; (III) Authorizing Use of Cash Collateral; (IV) Modifying the Automatic Stay; and (V) Granting Related Relief*[D.I. 230].²

² For the avoidance of doubt, pursuant to section 5.28 of the Final DIP Order, none of the Prepetition Secured Parties shall be required to file proofs of claim in any of these chapter 11 cases. Notwithstanding the foregoing, any Prepetition Agent (on behalf of itself and the Prepetition Lenders) is authorized, but not required, to file a master proof of claim for any claims of any of the Prepetition Secured Parties arising from the Prepetition Loan Documents or in respect of the Prepetition Obligations.

You should not file a Proof of Claim if you do not have a claim against any of the Debtors. The fact that you have received this Bar Date Notice does not mean that you have a claim or that the Debtors or the Bankruptcy Court believes that you have a claim.

III. HOW TO FILE A PROOF OF CLAIM

Enclosed herewith an exhibit is a Proof of Claim Form, in a form substantially similar to Official Form 410.³

- (a) Proofs of Claim must conform substantially to the Proof of Claim Form;
- (b) All Proofs of Claim must be actually received on or before the applicable Bar Date associated with such claim by the Debtors' Court-approved claims and noticing agent in these Chapter 11 Cases, Kurtzman Carson Consultants LLC ("KCC"). All Proofs of Claim must be filed electronically at <https://epoc.kccllc.net/Celadon>, or sent to KCC by US Mail or other hand delivery system, addressed to: **Celadon Group Claims Processing Center c/o KCC, 222 N. Pacific Coast Highway, Suite 300, El Segundo, CA 90245**;
- (c) Proofs of Claim will be deemed timely filed only if they are actually received by KCC on or before the applicable Bar Date. Proofs of Claim submitted by facsimile or e-mail will *not* be accepted;
- (d) Proofs of Claim must: (i) be in writing and signed by the claimant, or, if the claimant is not an individual, by an authorized agent of the claimant; (ii) include supporting documentation or, if voluminous, a summary of the supporting documents and an explanation as to why documentation is not available and where the such supporting documentation may be obtain; (iii) be in the English language; and (iv) be denominated in United States currency (USD);
- (e) In addition to the foregoing, 503(b)(9) Claims must also: (i) include the value of the goods delivered to and received by the applicable Debtor within twenty (20) days prior to the Petition Date; (ii) attach any documentation identifying the particular invoice(s) corresponding to the asserted 503(b)(9) Claim and delivery address; and (iii) attach documentation evidencing the delivery of the goods delivered to and received by the applicable Debtor within twenty (20) days prior to the Petition Date;
- (f) Each Proof of Claim must specify, by name, the Debtor against which the claim is asserted, and, if the holder asserts a claim against more than one Debtor, a separate Proof of Claim must be filed against each such Debtor; and

³ Additional Proof of Claim Forms are available at <https://www.kccllc.net/Celadon>.

- (g) Any person or entity that files a Proof of Claim by mail and wishes to receive a date-stamped copy by return mail should include an additional copy of the Proof of Claim and a self-addressed, postage-paid envelope.

IV. CONSEQUENCES FOR FAILURE TO FILE A PROOF OF CLAIM BY THE APPLICABLE BAR DATE

Except as described in Section II above, as applicable, any holder of a claim against any Debtor who received notice of the Bar Dates (whether such notice was actually or constructively received) and is required, but fails, to file a Proof of Claim in accordance with the Bar Date Order and this Bar Date Notice on or before the applicable Bar Date, (a) may be forever barred, estopped, and enjoined from asserting such claim against any Debtor, and such Debtor and its property may upon confirmation of a chapter 11 plan with respect thereto, be forever discharged from all indebtedness and liability with respect to such claim, and (b) may not receive or be entitled to receive any payment or distribution of property from the Debtors or their successors or assigns with respect to such claim.

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V. THE DEBTORS' SCHEDULES AND ACCESS THERETO

You may be listed in the Debtors' Schedules. Copies of the Debtors' Schedules are available free of charge on KCC's website: <https://www.kccllc.net/Celadon>.

Dated: March __, 2020
Wilmington, Delaware

Respectfully submitted,

DLA PIPER LLP (US)

/s/ DRAFT

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-and-

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jamila.willis@us.dlapiper.com

Counsel to the Debtors

EXHIBIT 2

(Publication Notice)

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

-----X
:

In re: : Chapter 11

:

CELADON GROUP, INC., *et al.*,¹ : Case No. 19-12606 (KBO)

:

Debtors. : (Jointly Administered)

:

: **Related D.I.: 681**

-----X

**NOTICE OF DEADLINE FOR FILING PROOFS OF CLAIM,
INCLUDING 503(b)(9) CLAIMS**

PLEASE TAKE NOTICE, on December 8, 2019 (the “Petition Date”), Celadon Group, Inc. and its affiliated debtors (collectively, the “Debtors”) in the above-captioned chapter 11 cases each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).

PLEASE TAKE FURTHER NOTICE that, on [_____, 2020], the United States Bankruptcy Court for the District of Delaware (the “Court”) entered an order (the “Bar Date Order”) establishing:

- (a) **General Bar Date: April 30, 2020 at 4:00 p.m. (ET)** as the “General Bar Date” and deadline for all persons or entities, other than Governmental Units (as defined in section 101(27) of the Bankruptcy Code), to file proofs of claim (each, a “Proof of Claim”) based on claims against any Debtor that arose prior to the Petition Date, including claims for the value of goods sold to any Debtor in the ordinary course of business and received by such Debtor within twenty (20) days before the Petition Date (each, a “503(b)(9) Claim”) that remain unpaid;
- (b) **Governmental Bar Date: June 5, 2020 at 4:00 p.m. (ET)** as the “Governmental Bar Date” and deadline for all Governmental Units to file Proofs of Claim against

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Celadon Group, Inc. (1050); A R Management Services, Inc. (3604); Bee Line, Inc. (5403); Celadon Canadian Holdings, Limited (2539); Celadon E-Commerce, Inc. (2711); Celadon International Corporation (5246); Celadon Logistics Services, Inc. (0834); Celadon Mexicana, S.A. de C.V. (6NL7); Celadon Realty, LLC (2559); Celadon Trucking Services, Inc. (6138); Distribution, Inc. (0488); Eagle Logistics Services Inc. (7667); Hyndman Transport Limited (3249); Jaguar Logistics, S.A. de C.V. (66D1); Leasing Servicios, S.A. de C.V. (9MUA); Osborn Transportation, Inc. (7467); Quality Companies LLC (4073); Quality Equipment Leasing, LLC (2403); Quality Insurance LLC (7248); Servicios Corporativos Jaguar, S.C. (78CA); Servicios de Transportación Jaguar, S.A. de C.V. (5R68); Stinger Logistics, Inc. (3860); Strategic Leasing, Inc. (7534); Taylor Express, Inc. (9779); and Vorbas, LLC (8936). The corporate headquarters and the mailing address for the Debtors listed above is 9503 East 33rd Street, One Celadon Drive, Indianapolis, IN 46235.

the Debtors based on claims against any Debtor that arose prior to the Petition Date that remain unpaid;

- (c) **Rejection Damages Claims Bar Date:** the Rejection Damages Claims Bar Date shall be the later of (i) the General Bar Date or the Governmental Bar Date, as applicable; (ii) 4:00 p.m. (ET) on the date that is thirty (30) days after entry of an order approving the rejection of an executory contract or unexpired lease (a “Rejection Order”); or (iii) any other date that the Court may fix in the applicable Rejection Order.
- (d) **Amended Schedules Bar Date:** If the Debtors amend or supplement their Schedules, the affected creditor, if it chooses, shall file a proof of claim, or amend a previously filed proof of claim, on or before the later of (i) the General Bar Date or Governmental Bar Date, as applicable, and (ii) 4:00 p.m. (ET) on the date that is thirty (30) days from the date the Debtors filed and served notice of the amendment or supplement.

You should consult an attorney if you have any questions, including whether to file a Proof of Claim or Administrative Claim Request. If you have any questions with respect to this notice, you may contact the Debtors’ claims and noticing agent, Kurtzman Carson Consultants LLC (“KCC”) at (866) 927-7078 (toll-free) or (310) 751-2651 (international) or visit KCC’s website at <https://www.kccllc.net/Celadon>. KCC is not permitted to provide legal advice.

EXHIBIT 3

(Proof of Claim Form)

United States Bankruptcy Court for the District of Delaware

Indicate Debtor against which you assert a claim by checking the appropriate box below. **(Check only one Debtor per claim form.)**

- | | | |
|---|--|---|
| <input type="checkbox"/> Celadon Group, Inc. (Case No. 19-12606) | <input type="checkbox"/> Distribution, Inc. (Case No. 19-12616) | <input type="checkbox"/> Servicios de Transportación Jaguar, S.A. de C.V. (Case No. 19-12626) |
| <input type="checkbox"/> A R Management Services, Inc. (Case No. 19-12607) | <input type="checkbox"/> Eagle Logistics Services Inc. (Case No. 19-12617) | <input type="checkbox"/> Stinger Logistics, Inc. (Case No. 19-12627) |
| <input type="checkbox"/> Bee Line, Inc. (Case No. 19-12608) | <input type="checkbox"/> Hyndman Transport Limited (Case No. 19-12618) | <input type="checkbox"/> Strategic Leasing, Inc. (Case No. 19-12628) |
| <input type="checkbox"/> Celadon Canadian Holdings, Limited (Case No. 19-12609) | <input type="checkbox"/> Jaguar Logistics, S.A. de C.V. (Case No. 19-12619) | <input type="checkbox"/> Taylor Express, Inc. (Case No. 19-12629) |
| <input type="checkbox"/> Celadon E-Commerce, Inc. (Case No. 19-12610) | <input type="checkbox"/> Leasing Servicios, S.A. de C.V. (Case No. 19-12620) | <input type="checkbox"/> Transportation Insurance Services Risk Retention Group, Inc. (Case No. 19-12630) |
| <input type="checkbox"/> Celadon International Corporation (Case No. 19-12611) | <input type="checkbox"/> Osborn Transportation, Inc. (Case No. 19-12621) | <input type="checkbox"/> Vorbas, LLC (Case No. 19-12631) |
| <input type="checkbox"/> Celadon Logistics Services, Inc. (Case No. 19-12612) | <input type="checkbox"/> Quality Companies LLC (Case No. 19-12622) | |
| <input type="checkbox"/> Celadon Mexicana, S.A. de C.V. (Case No. 19-12613) | <input type="checkbox"/> Quality Equipment Leasing, LLC (Case No. 19-12623) | |
| <input type="checkbox"/> Celadon Realty, LLC (Case No. 19-12614) | <input type="checkbox"/> Quality Insurance LLC (Case No. 19-12624) | |
| <input type="checkbox"/> Celadon Trucking Services, Inc. (Case No. 19-12615) | <input type="checkbox"/> Servicios Corporativos Jaguar, S.C. (Case No. 19-12625) | |

**Official Form 410
Proof of Claim**

04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

Part 1: Identify the Claim

1. **Who is the current creditor?** _____
 Name of the current creditor (the person or entity to be paid for this claim)
 Other names the creditor used with the debtor _____

2. **Has this claim been acquired from someone else?** No
 Yes. From whom? _____

3. **Where should notices and payments to the creditor be sent?**

| | | |
|---|---|---|
| Federal Rule of Bankruptcy Procedure (FRBP) 2002(g) | Where should notices to the creditor be sent? Name _____ Number _____ Street _____ City _____ State _____ ZIP Code _____ Country _____ Contact phone _____ Contact email _____ | Where should payments to the creditor be sent? (if different) Name _____ Number _____ Street _____ City _____ State _____ ZIP Code _____ Country _____ Contact phone _____ Contact email _____ |
| | Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____ | |

4. **Does this claim amend one already filed?** No
 Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY

5. **Do you know if anyone else has filed a proof of claim for this claim?** No
 Yes. Who made the earlier filing? _____

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor? No
 Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: ____ ____ ____ ____

7. How much is the claim? \$ _____. Does this amount include interest or other charges?
 No
 Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
 Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
 Limit disclosing information that is entitled to privacy, such as health care information.

9. Is all or part of the claim secured? No
 Yes. The claim is secured by a lien on property.
Nature of property:
 Real estate: If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
 Motor vehicle
 Other. Describe: _____
Basis for perfection: _____
 Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)
Value of property: \$ _____
Amount of the claim that is secured: \$ _____
Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.)
Amount necessary to cure any default as of the date of the petition: \$ _____
Annual Interest Rate (when case was filed) _____%
 Fixed
 Variable

10. Is this claim based on a lease? No
 Yes. Amount necessary to cure any default as of the date of the petition. \$ _____

11. Is this claim subject to a right of setoff? No
 Yes. Identify the property: _____

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

No

Yes. Check all that apply:

Amount entitled to priority

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). \$ _____

Up to \$3,025* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7). \$ _____

Wages, salaries, or commissions (up to \$13,650*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4). \$ _____

Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8). \$ _____

Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5). \$ _____

Other. Specify subsection of 11 U.S.C. § 507(a)(____) that applies. \$ _____

* Amounts are subject to adjustment on 4/01/22 and every 3 years after that for cases begun on or after the date of adjustment.

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

I am the creditor.

I am the creditor's attorney or authorized agent.

I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date _____
MM / DD / YYYY

Signature

Print the name of the person who is completing and signing this claim:

Name _____
First name Middle name Last name

Title _____

Company _____
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address _____
Number Street

City State ZIP Code Country

Contact phone _____ Email _____

Official Form 410

Instructions for Proof of Claim

United States Bankruptcy Court

04/19

These instructions and definitions generally explain the law. In certain circumstances, such as bankruptcy cases that debtors do not file voluntarily, exceptions to these general rules may apply. You should consider obtaining the advice of an attorney, especially if you are unfamiliar with the bankruptcy process and privacy regulations.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both.
18 U.S.C. §§ 152, 157 and 3571

PLEASE SEND COMPLETED PROOF(S) OF CLAIM TO:

Celadon Group Claims Processing Center
c/o KCC
222 N. Pacific Coast Hwy., Ste. 300
El Segundo, CA 90245

Alternatively, your claim can be filed electronically on KCC's website at <https://epoc.kccllc.net/Celadon>

How to fill out this form

- **Fill in all of the information about the claim as of the date the case was filed.**

- **Fill in the caption at the top of the form**

- **If the claim has been acquired from someone else, then state the identity of the last party who owned the claim or was the holder of the claim and who transferred it to you before the initial claim was filed.**

- **Attach any supporting documents to this form.**
Attach redacted copies of any documents that show that the debt exists, a lien secures the debt, or both. (See the definition of *redaction* on the next page.)

Also attach redacted copies of any documents that show perfection of any security interest or any assignments or transfers of the debt. In addition to the documents, a summary may be added. Federal Rule of Bankruptcy Procedure (called "Bankruptcy Rule") 3001(c) and (d).

- **Do not attach original documents because attachments may be destroyed after scanning.**

- **If the claim is based on delivery health care goods or services, do not disclose confidential health care information. Leave out or redact confidential information both in the claim and in the attached documents.**

- **A Proof of Claim form and any attached documents must show only the last 4 digits of any social security number, individual's tax identification number, or financial account number, and only the year of any person's date of birth.** See Bankruptcy Rule 9037.

- **For a minor child, fill in only the child's initials and the full name and address of the child's parent or guardian.**
For example, write *A.B., a minor child (John Doe, parent, 123 Main St., City, State)*. See Bankruptcy Rule 9037.

Confirmation that the claim has been filed

To receive confirmation that the claim has been filed, either enclose a stamped self-addressed envelope and a copy of this form or you may view a list of filed claims in this case by visiting the Claims and Noticing and Agent's website at <http://www.kccllc.net/Celadon>

Understand the terms used in this form

Administrative expense: Generally, an expense that arises after a bankruptcy case is filed in connection with operating, liquidating, or distributing that bankruptcy estate.
11 U.S.C. § 503

Claim: A creditor's right to receive payment for a debt that the debtor owed on the date the debtor filed for bankruptcy. 11 U.S.C. § 101 (5). A claim may be secured or unsecured.

Creditor: A person, corporation, or other entity to whom a debtor owes a debt that was incurred on or before the date the debtor filed for bankruptcy. 11 U.S.C. §101 (10).

Debtor: A person, corporation, or other entity to who is in bankruptcy. Use the debtor's name and case number as shown in the bankruptcy notice you received. 11 U.S.C. §101 (13).

Evidence of perfection: Evidence of perfection of a security interest may include documents showing that a security interest has been filed or recorded, such as a mortgage, lien, certificate of title, or financing statement.

Information that is entitled to privacy: A *Proof of Claim* form and any attached documents must show only the last 4 digits of any social security number, an individual's tax identification number, or a financial account number, only the initials of a minor's name, and only the year of any person's date of birth. If a claim is based on delivering health care goods or services, limit the disclosure of the goods or services to avoid embarrassment or disclosure of confidential health care information. You may later be required to give more information if the trustee or someone else in interest objects to the claim.

Priority claim: A claim within a category of unsecured claims that is entitled to priority under 11 U.S.C. §507(a). These claims are paid from the available money or property in a bankruptcy case before other unsecured claims are paid. Common priority unsecured claims include alimony, child support, taxes, and certain unpaid wages.

Proof of claim: A form that shows the amount of debt the debtor owed to a creditor on the date of the bankruptcy filing. The form must be filed in the district where the case is pending.

Redaction of information: Masking, editing out, or deleting certain information to protect privacy. Filers must redact or leave out information entitled to **privacy** on the *Proof of Claim* form and any attached documents.

Secured claim under 11 U.S.C. §506(a): A claim backed by a lien on particular property of the debtor. A claim is secured to the extent that a creditor has the right to be paid from the property before other creditors are paid. The amount of a secured claim usually cannot be more than the value of the particular property on which the creditor has a lien. Any amount owed to a creditor that is more than the value of the property normally may be an unsecured claim. But exceptions exist; for example, see 11 U.S.C. § 1322(b) and the final sentence of 1325(a).

Examples of liens on property include a mortgage on real estate a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In states, a court judgment may be a lien.

Setoff: Occurs when a creditor pays itself with money belonging to the debtor that it is holding, or by canceling a debt it owes to the debtor.

Uniform claim identifier: An optional 24-character identifier that some creditors use to facilitate electronic payment.

Unsecured claim: A claim that does not meet the requirements of a secured claim. A claim may be unsecured in part to the extent that the amount of the claim is more than the value of the property on which a creditor has a lien.

Offers to purchase a claim

Certain entities purchase claims for an amount that is less than the face value of the claims. These entities may contact creditors offering to purchase their claims. Some written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court, the bankruptcy trustee, or the debtor. A creditor has no obligation to sell its claim. However, if a creditor decides to sell its claim, any transfer of that claim is subject to Bankruptcy Rule 3001(e), any provisions of the Bankruptcy Code (11 U.S.C. § 101 et seq.) that apply, and any orders of the bankruptcy court that apply.

Do not file these instructions with your form.

Appendix “F”

Property insurers offer economic relief for clients

Intact, Allstate among companies taking varying approaches to assistance measures

CLARE O'HARA
WEALTH MANAGEMENT REPORTER

Home and auto insurers are joining Canada's big banks in offering customers economic relief during the outbreak of COVID-19. Last week, Intact Financial Corp. was one of the first property and casualty insurance companies to announce that clients experiencing financial hardships may qualify for relief measures such as payment deferrals, premium adjustments or the waiving of missed payment fees.

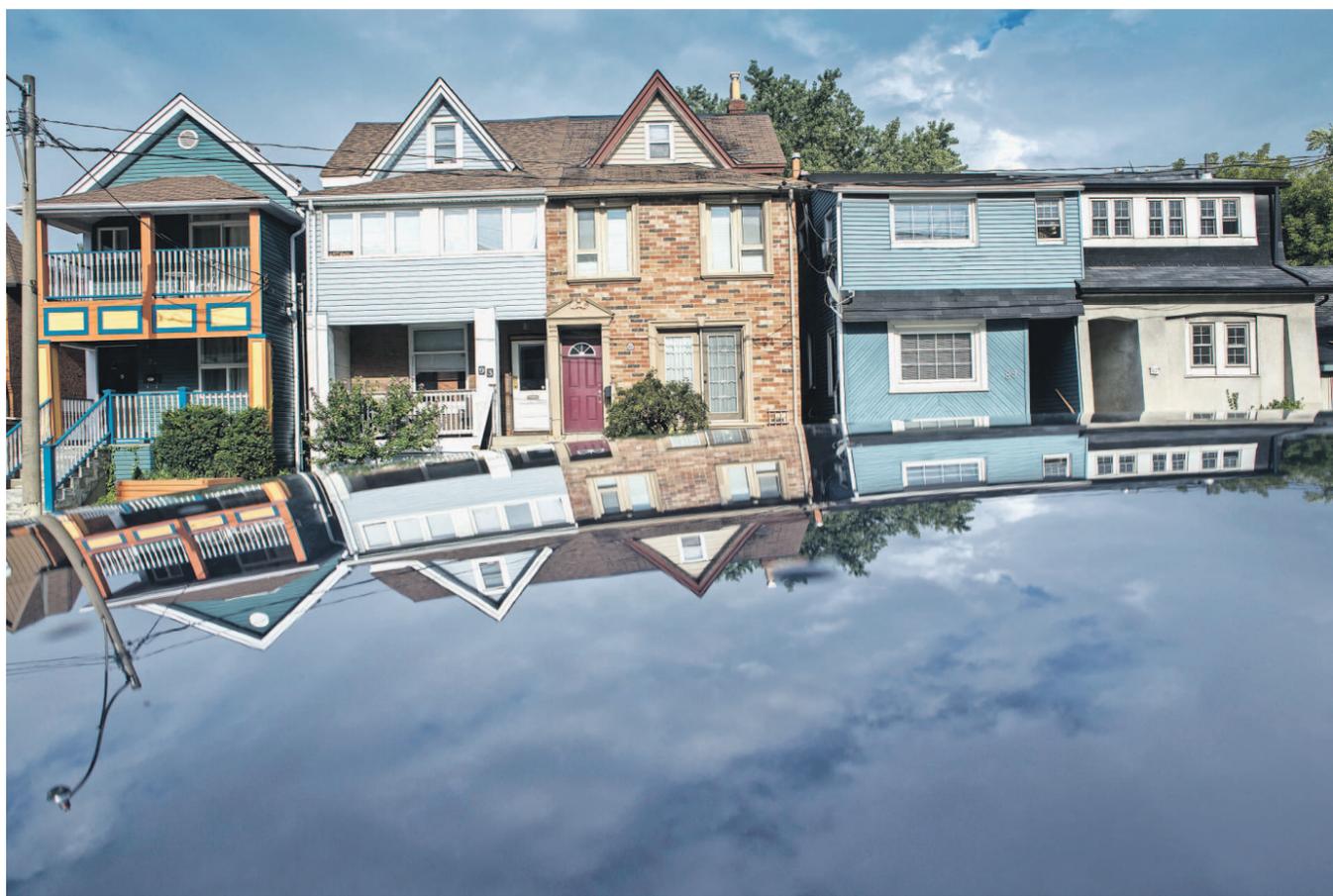
The company, which sells policies through its Intact and bealrirect brands, said the measures will be in place until the end of April and will focus on individuals and businesses who have been "significantly impacted" by the novel coronavirus, including people who are ill, elderly or have experienced job loss.

As well, the company is adjusting its risk profile for customers, which might lead to "premium relief," chief executive Charles Brindamour said during an online discussion with analysts.

"[If] you don't drive to work, if sales in your businesses are down dramatically, if you're parking fleet and so on, we'll adjust your risk profile to make sure that we take into account this environment," he said.

Intact's relief measures come at a time when many Canadians are suffering financial hardships as the COVID-19 outbreak continues to force company shutdowns across the country. More than two million have applied for employment insurance since March 15, while others are beginning the application process this week for the new Canada Emergency Response Benefit.

The banking sector was quick to respond to the crisis last month with relief plans for personal and small business banking customers. All of Canada's Big Six banks announced six-month mortgage payment deferral programs, and the opportunity for relief on other credit products such as loans.



A vehicle travels past houses in Toronto in 2017. Canada has roughly 195 home and auto insurance providers, creating a fragmented environment in terms of what consumers can expect for relief measures. MARCUS OLENIUK/THE GLOBE AND MAIL

But unlike the banks, which jointly released information on mortgage payment deferrals, the home and auto insurance sector appears to be a mixed bag when it comes to what consumers can expect in relief. Canada has about 195 home and auto insurance providers, which creates a more fragmented environment.

On March 19 - two days after the banks' mortgage relief announcement - the Insurance Bureau of Canada, a national industry association representing private home, auto and business insurers, released a statement telling consumers they should address any payment concerns directly to their insurance company.

"[Consumers who] are concerned about their ability to pay their premiums due to the impact of COVID-19 should contact their insurance representative to discuss a potential solution," said Don Forgeron, president and CEO of IBC.

The IBC did not provide details about what "potential solutions" the industry would consider, saying "no two policies are identical."

Co-operators Group Ltd. declined to comment on the specific relief measures offered to clients, saying it is addressing clients' needs "on a case-by-case basis."

Allstate Insurance Co. of Canada confirmed with The Globe and Mail that it has introduced payment deferrals to certain clients as a result of the pandemic. It is also looking at waiving non-sufficient-funds fees, providing

coverage extension, and adjusting coverage to reflect a change in usage by the policyholder.

Both Allstate and Desjardins Insurance are providing temporary additional coverage for clients who are using their personal vehicles to deliver meals, groceries or prescription drugs during the pandemic at no extra charge.

Desjardins is also considering payment deferrals on a case-by-case basis for its home and auto policyholders. In addition, Desjardins has automatically raised the coverage limit for personal equipment used for professional purposes to \$10,000 from \$5,000 on all home insurance policies, as more people are working from home.

With more clients at home and driving less, Desjardins announced on Monday it is offering

discounts on auto premiums to clients whose commuting habits have "significantly changed" and who are only using their vehicles for essential trips to such places as the pharmacy or grocery store.

The changes will be calculated over a three-month period and will reflect the annual distance travelled, as declared on a client's insurance contract.

TD Insurance is offering a variety of financial relief measures to those who have been financially affected by this pandemic, including premium deferrals, spokesperson Paolo Pasquini said. Other relief measures TD has implemented include waiving cancellation fees on existing policies, reinstating customers' policies in the event of a cancellation because of non-payment and minimizing coverage disruption on vacant homes.

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MEETING NOTICES

100 **EQUITABLE LIFE**
OF CANADA 1928-2020

The Equitable Life Insurance Company of Canada

NOTICE OF ANNUAL MEETING

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Participating Policyholders of The Equitable Life Insurance Company of Canada (the "Company") will be held at the Company's Head Office at One Westmount Road North, Waterloo, Ontario on **Tuesday, May 5th, 2020**, at 9:30 a.m. (local time).

We are monitoring the evolving coronavirus (COVID-19) situation and are sensitive to public health concerns. We strongly encourage you to comply with the requirements and follow the recommendations of the governmental and health authorities. You are not required to attend the meeting in person in order to exercise your right to vote. To obtain details regarding attendance using alternative arrangements, contact the Corporate Secretary at the address below. You may also vote by proxy.

Participating policyholders may receive Notice of Meeting and other materials containing more details of the business to be transacted at the Meeting by written request to the Corporate Secretary addressed to the Company at One Westmount Road North, Waterloo, Ontario N2J 4C7.

Waterloo, Ontario,
April 7, 2020.

Colin Simpson
Corporate Secretary

DIVIDENDS

Dividends



Notice is hereby given that the following dividends have been declared.

| Issuer | Issue | Record Date | Payable Date | Rate |
|-----------------------------|--------|----------------|----------------|-----------|
| Diversified Royalty Corp. | Common | April 15, 2020 | April 30, 2020 | \$0.01667 |
| Hardwoods Distribution Inc. | Common | April 16, 2020 | April 30, 2020 | \$0.085 |
| HLS Therapeutics Inc. | Common | April 30, 2020 | June 15, 2020 | \$0.05 |
| Mount Logan Capital Inc. | Common | April 14, 2020 | April 28, 2020 | \$0.02 |



MEETING NOTICES

NOTICE OF ANNUAL MEETINGS OF SUN LIFE FINANCIAL INC. AND SUN LIFE ASSURANCE COMPANY OF CANADA

NOTICE IS HEREBY GIVEN that the Annual Meeting of common shareholders of Sun Life Financial Inc. and the Annual Meeting of voting policyholders and the sole shareholder of Sun Life Assurance Company of Canada will be held on Tuesday, May 5, 2020 at 5 p.m. in a virtual only format via live webcast online at <https://web.lumiagm.com/186947015> Password: "sunlife2020" (case sensitive).

Shareholders and voting policyholders can access the notice of the meeting with additional information relating to the business to be transacted at the meeting at www.sunlife.com/2020aqm.

A control number is required for shareholders and voting policyholders to exercise their voting rights at the virtual meeting. For more information, visit: www.sunlife.com/2020aqm.

Toronto, April 7, 2020.

Troy Krushel
Vice-President, Associate General Counsel & Corporate Secretary



TO HAVE THE GLOBE AND MAIL DELIVERED TO YOUR DOOR, CALL 1-800-387-5400 TGAM.CA/SUBSCRIBE

RECENT ASSET TRANSACTIONS

| GTA: RETAIL | GVA: APARTMENT | GEA: HOTEL | GGH: OFFICE |
|---|---|--|---|
| 326 Queen St. W. Old Toronto \$10,000,000 \$1,873 per sq. ft. | 1265 West 13th Ave. Vancouver \$19,600,000 \$445,455 per unit | 10320 45th Ave. NW Edmonton \$12,250,000 \$55,936 per room | 80 King St. E. Hamilton \$1,150,000 \$479 per sq. ft. |

| GREATER TORONTO AREA | | | | | |
|----------------------|--------------|----------------------|--------------|------------|-------------|
| SECTOR | MUNICIPALITY | ADDRESS | PRICE | UNIT PRICE | PARAMETER |
| Industrial | North York | 245 Bartley Dr. | \$14,750,000 | \$154 | per sq. ft. |
| Industrial | Mississauga | 1680 Mattawa Ave. | \$18,000,000 | \$138 | per sq. ft. |
| Apartment | Old Toronto | 140 Springhurst Ave. | \$5,950,000 | \$297,500 | per unit |

| GREATER VANCOUVER AREA | | | | | |
|------------------------|--------------|--------------------------------|--------------|------------|-------------|
| SECTOR | MUNICIPALITY | ADDRESS | PRICE | UNIT PRICE | PARAMETER |
| Office | Vancouver | 4126 Macdonald St. | \$5,588,000 | \$1,024 | per sq. ft. |
| Retail | Coquitlam | 1395, 1401 & 1455 United Blvd. | \$24,925,000 | \$376 | per sq. ft. |
| Retail | Maple Ridge | 22855 Lougheed Hwy. | \$3,960,000 | \$812 | per sq. ft. |

| GREATER EDMONTON AREA | | | | | |
|-----------------------|--------------|-----------------------|-------------|------------|-------------|
| SECTOR | MUNICIPALITY | ADDRESS | PRICE | UNIT PRICE | PARAMETER |
| Retail | Edmonton | 8101 Gateway Blvd. NW | \$6,713,100 | \$432 | per sq. ft. |
| Retail | Edmonton | 9943 82nd Ave. NW | \$1,510,000 | \$320 | per sq. ft. |
| Retail | Edmonton | 9308C 34th Ave. NW | \$1,170,000 | \$328 | per sq. ft. |

| GREATER GOLDEN HORSESHOE | | | | | |
|--------------------------|---------------|------------------|-------------|------------|-------------|
| SECTOR | MUNICIPALITY | ADDRESS | PRICE | UNIT PRICE | PARAMETER |
| Industrial | Cambridge | 311 Pinebush Rd. | \$4,904,558 | \$72 | per sq. ft. |
| Apartment | Kitchener | 23 Louisa St. | \$1,437,500 | \$143,750 | per unit |
| Apartment | Niagara Falls | 6287 O'Neil St. | \$3,725,000 | \$116,406 | per unit |

Altus Data Solutions Canada (Altus Group, 2016, altusgroup.com) - Empowering smarter real estate decisions. This transaction data was previously released under REALNET® Canada. It will now be released by Altus Group, powered by a proprietary data platform led by Altus Data Solutions Canada. Altus Group Limited makes no representation about the accuracy, completeness or suitability of the material represented herein for the particular purposes of any reader.

LEGALS

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE
In re: CELADON GROUP, INC., et al., Chapter 11, Case No. 19-12606 (KBO) Debtors. (Jointly Administered) **Related D.I.: 681, 794**

NOTICE OF DEADLINE FOR FILING PROOFS OF CLAIM, INCLUDING 503(b)(9) CLAIMS
PLEASE TAKE NOTICE, on December 8, 2019 (the "Petition Date"), Celadon Group, Inc. and its affiliated debtors (collectively, the "Debtors") in the above-captioned chapter 11 cases each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

PLEASE TAKE FURTHER NOTICE that, on March 30, 2020, the United States Bankruptcy Court for the District of Delaware (the "Court") entered an order (D.I. 794) (the "Bar Date Order") establishing:

- General Bar Date: April 30, 2020 at 4:00 p.m. (ET)** as the "General Bar Date" and deadline for all persons or entities, other than Governmental Units (as defined in section 101(27) of the Bankruptcy Code), to file proofs of claim (each, a "Proof of Claim") based on claims against any Debtor that arose prior to the Petition Date, including claims for the value of goods sold to any Debtor in the ordinary course of business and received by such Debtor within twenty (20) days before the Petition Date (each, a "503(b)(9) Claim") that remain unpaid;
- Governmental Bar Date: June 5, 2020 at 4:00 p.m. (ET)** as the "Governmental Bar Date" and deadline for all Governmental Units to file Proofs of Claim against the Debtors based on claims against any Debtor that arose prior to the Petition Date that remain unpaid;
- Rejection Damages Claims Bar Date:** the Rejection Damages Claims Bar Date shall be the later of (i) the General Bar Date or the Governmental Bar Date, as applicable; (ii) 4:00 p.m. (ET) on the date that is thirty (30) days after entry of an order approving the rejection of an executory contract or unexpired lease (a "Rejection Order"); or (iii) any other date that the Court may fix in the applicable Rejection Order.
- Amended Schedules Bar Date:** If the Debtors amend or supplement their Schedules, the affected creditor, if it chooses, shall file a proof of claim, or amend a previously filed proof of claim, on or before the later of (i) the General Bar Date or Governmental Bar Date, as applicable, and (ii) 4:00 p.m. (ET) on the date that is thirty (30) days from the date the Debtors filed and served notice of the amendment or supplement.

You should consult an attorney if you have any questions, including whether to file a Proof of Claim or Administrative Claim Request. If you have any questions with respect to this notice, you may contact the Debtors' claims and noticing agent, Kurtzman Carson Consultants LLC ("KCC") at (866) 927-7078 (toll-free) or (310) 751-2651 (international) or visit KCC's website at <https://www.kccllc.net/Celadon>. KCC is not permitted to provide legal advice.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Celadon Group, Inc. (1050); A/R Management Services, Inc. (3604); Bee Line, Inc. (5403); Celadon Canadian Holdings, Limited (2539); Celadon E-Commerce, Inc. (2711); Celadon International Corporation (5246); Celadon Logistics Services, Inc. (0834); Celadon Mexicana, S.A. de C.V. (GNL7); Celadon Realty, LLC (2559); Celadon Trucking Services, Inc. (6138); Distribution, Inc. (0488); Eagle Logistics Services Inc. (7667); Hyndman Transport Limited (3249); Jaguar Logistics, S.A. de C.V. (6601); Leasing Servicios, S.A. de C.V. (9MIUA); Osborn Transportation, Inc. (7467); Quality Companies LLC (4073); Quality Equipment Leasing, LLC (2403); Quality Insurance LLC (7248); Servicios Corporativos Jaguar, S.C. (78CA); Servicios de Transportación Jaguar, S.A. de C.V. (SR68); Stinger Logistics, Inc. (3860); Strategic Leasing, Inc. (7534); Taylor Express, Inc. (9779); and Vorbas, LLC (8936). The corporate headquarters and the mailing address for the Debtors listed above is 9503 East 33rd Street, One Celadon Drive, Indianapolis, IN 46235.