



SUPERIOR COURT OF JUSTICE

ENDORSEMENT

COURT FILE NO.: CV-24-00716267-00CL DATE: July 30, 2025

NO. ON LIST: 1

TITLE OF PROCEEDING: **SKYLINK EXPRESS INC v. UNIFOR AND ITS LOCAL 2002 et al**

BEFORE: **JUSTICE STEELE**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

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For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
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ENDORSEMENT OF JUSTICE STEELE:

[1] The applicant was granted protection under the *Companies' Creditors Arrangement Act* on March 11, 2024. Since that time Skylink Express Inc. ("Skylink") has entered into transactions to sell its four 208B caravan aircraft, which were approved by two court orders in July 2024. Skylink, with the assistance of the Agent, has continued to market the remainder of Skylink's Fleet, consisting of ten 1900C all cargo aircraft, and the balance of Skylink's assets, for more than a year. Skylink returns to court today having negotiated and finalized the terms of the Transactions for the sale of Skylink's remaining assets.

[2] Skylink seeks 3 orders:

- a. An approval and vesting order approving the UTP Transaction;
- b. An approval and vesting order approving the Residual Assets Transaction; and
- c. An order terminating the CCAA proceedings, discharging the Monitor, approving the Monitor's report and professional fees, and sealing a confidential appendix, among other things.

[3] TD Bank seeks a related order, on consent, dismissing the receivership application that it had commenced.

[4] No person opposes the relief sought. The Monitor supports the motion.

[5] Capitalized terms used in this endorsement that are not defined herein have the meaning set out in the applicant's factum.

[6] I am satisfied that the four orders sought should be granted.

[7] The court has the jurisdiction under s. 36 of the CCAA to approve a sale transaction within the context of CCAA proceedings. The proposed transactions are appropriate, fair, and reasonable. With respect to the requested AVOs, the *Soundair* factors are satisfied, as are the factors set out in section 36(3) of the CCAA, for the reasons set out at para. 21 of the applicant's factum. Among other things, the Sale Process undertaken by the Company, with the assistance of the Agent, was commercially reasonable and consistent with the terms of the Sale Process Order. The Agent is an experienced sales agent and aircraft broker and is well known in the industry. The Monitor supports the Transactions and is not aware of any affected stakeholder objecting or likely to object.

[8] The Residual Assets Transaction is a related party transaction because the purchaser is an affiliate of the Applicant (as well as Momentum Solutions). I am satisfied that the factors set out in section 36(4) of the CCAA have been met for the reasons set out at para. 22 of the applicant's factum. Among other things, despite these assets having been marketed for more than a year, no other transaction has materialized. Further, the Monitor does not expect the recoveries from the assets being sold further to the Momentum Transaction to exceed the Momentum Debt.

[9] Following the close of the transactions, the Monitor seeks authorization to make one or more distributions of net proceeds of sale to Momentum, the senior secured creditor. The Monitor notes in section 3.6 of its Ninth Report that "[t]he value of the Transactions is less than the amount of the Momentum Debt."

[10] The Monitor's Ninth Report is approved, as are the fees and disbursements of the Monitor (including the fee accrual for remaining matters) and its counsel.

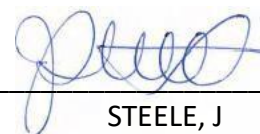
[11] The applicant seeks a sealing order for the confidential appendix pending the closing of the UTP Transaction. I am satisfied that the time limited, and limited in scope, sealing order that is sought satisfies the test set out in *Sienna Club of Canada v. Canada (Minister of Finance)* as modified by *Sherman Estate v. Donovan*. It is common to temporarily seal commercially sensitive material when assets are to be sold under a court process. The applicants seek to temporarily seal unredacted versions of a document that includes the purchase price and deposit information for the UTP Transaction. The confidential appendix would be sealed pending the closing of the UTP Transaction or further court order. The disclosure of the confidential appendix could have a detrimental impact on any future sale process should one be required. No stakeholder will be materially prejudiced by the requested sealing order, which applies to only a limited amount of information for a short period of time.

[12] The applicant is directed to provide the sealed confidential appendix to the Court clerk at the filing office in an envelope with a copy of this endorsement and the signed order (with the relevant provisions highlighted) so that the confidential appendix can be physically sealed. Counsel is further directed to apply, at the appropriate time, for an unsealing order, if necessary.

[13] Following the closing of the Transactions and the Distributions, other than certain residual matters, these proceedings will be complete. Accordingly, the applicant seeks to terminate these proceedings and have the Monitor discharged. The applicant seeks releases for the Released Parties (the Monitor, Cassels and their respective affiliates and officers, directors, partners, employees, and agents) from the Released Claims. The Court has jurisdiction under s. 11 of the CCAA to make any order considered “appropriate in the circumstances.” As noted at para. 33 of the applicant’s factum, courts have considered the factors set out in *Lydian International Limited (Re)*, 2020 ONSC 4006 at para. 54 in determining whether to approve releases in favour of third parties. I am satisfied that the releases should be granted. Among other things, the proposed releases are limited in scope, and do not apply in respect of any claim or liability arising out of gross negligence or wilful misconduct on the part of the Released Parties.

[14] Finally, the requested extension to the Stay Period to the date on which the CCAA Termination will become effective is approved. As noted at para. 7.0 of the Monitor’s Ninth Report, the Monitor supports the extension of the stay of proceedings. Among other things, the stay extension is required to allow for the closing of the Transactions. Section 11.02(2) of the CCAA gives the Court the authority to grant an extension of the stay of proceedings for any period “it considers necessary.” The court should be satisfied that circumstances exist that make the order appropriate, and that the applicant has acted, and is acting, in good faith and with due diligence. The applicant has acted and is continuing to act in good faith and with due diligence. The Projected Cash Flow Statement indicates that the applicant has sufficient liquidity through to December 31, 2025 (the outside projected date).

[15] Four orders to go as signed by me and attached to this endorsement.



STEELE, J

Date: July 30, 2025