

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:

Kal Freight, Inc., *et al.*,

Debtors.

Atlantic Union Equipment Finance, Inc.,

Movant,

v.

Noor Transport Leasing, LLC,

Respondent.

Chapter 11

Case No. 24-90614 (CML)

(Jointly Administered)

Contested Matter

**ATLANTIC UNION EQUIPMENT FINANCE, INC.’S MOTION TO COMPEL NOOR
TRANSPORT LEASING, LLC TO COMPLY AND TO SHOW CAUSE WHY NOOR
TRANSPORT LEASING, LLC SHOULD NOT BE HELD IN CONTEMPT**

If you object to the relief requested, you must respond in writing. Unless otherwise directed by the Court, you must file your response electronically at <https://ecf.txsb.uscourts.gov/> within twenty-one days from the date this motion was filed. If you do not have electronic filing privileges, you must file a written objection that is actually received by the clerk within twenty-one days from the date this motion was filed. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

COMES NOW Atlantic Union Equipment Finance, Inc. (“AUEF”), and hereby moves this Court to compel Noor Transport Leasing, LLC (“Buyer”) to comply with the terms of this Court’s Confirmation Order (as defined below) and the Notice of Confirmation (as defined below) or otherwise show cause why it should not be held in contempt for its defiance of such Confirmation Order and Confirmation Notice. In support of this motion, AUEF respectfully states as follows:

SUMMARY

Notwithstanding unambiguous language in this Court's Confirmation Order and the Debtors' Confirmation Notice requiring Buyer to cooperate in good faith and provide access to secured creditors' collateral in its possession, Buyer has repeatedly acted in bad faith, failed to cooperate, and denied AUEF access to collateral identified as on site and available for pick up. Having received no meaningful recent engagement from the Buyer (nor its counsel), AUEF is forced to seek relief from the Court.

JURISDICTION AND VENUE

1. Pursuant to 28 U.S.C. § 1334, the United States Bankruptcy Court for the Southern District of Texas has jurisdiction over this matter.

2. This matter is a core proceeding as provided in 28 U.S.C. § 157(b). *See also TXMS Real Estate Invs. Inc., v. Senior Care Ctrs., LLC (In re Senior Care Ctrs., LLC)*, 622 B.R. 680, 689 (Bankr. N.D. Tex. 2020) (bankruptcy court retains jurisdiction to enforce and interpret its own orders).

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

4. As detailed in AUEF's Motion for Relief from the Automatic Stay filed on January 14, 2025, [Docket No. 337] (the "MFR"), AUEF is a secured creditor of Kal Freight, Inc. ("Kal Freight") through its perfected first-priority security interest in various trailers and related equipment. *See* Proof of Claim No. 136 at Exhibit A-1, A-2.

5. The collateral that AUEF sought to repossess is more particularly described in Exhibit 7 to the MFR (the "Collateral")¹.

¹ Two (2) of the fifty (50) trailers and related refrigerated units listed in AUEF's original Collateral were subsequently deemed a complete loss and are not subject to this motion.

6. AUEF's request for stay relief was granted on March 12, 2025, by an Omnibus Order Granting Relief from the Automatic Stay [Docket No. 764] (the "Order Granting Stay Relief").

7. Pursuant to the Order Granting Stay Relief, AUEF began its repossession efforts as to its Collateral in coordination with information provided by Kal Freight.

8. AUEF successfully regained possession of seventeen (17) trailers prior to the sale of certain of Kal Freight's and Kal Trailers & Leasing, Inc.'s assets to the Buyer on April 16, 2025 (the "Closing Date").

9. In accordance with the provisions related to the sale of certain assets to Buyer, the Order Granting Final Approval of Disclosure Statement and Confirming Plan of Liquidation of Kal Freight Inc. and its Affiliated Debtors Under Chapter 11 of the Bankruptcy Code [Docket No. 1023] (the "Confirmation Order") and the Notice Of (I) Confirmation And Occurrence Of Effective Date Of Debtors' Plan Of Liquidation; (II) Deadlines For Filing Certain Claims And Requests For Payment; (III) Identity Of Liquidating Trustee; (IV) Closing Of Sale; And (V) Transition Services Agreement And Cooperation For Return Of Collateral/Trucks And Trailers [Docket No. 1025] (the "Confirmation Notice"), Buyer is required to cooperate with secured lenders attempting to pick up their collateral as follows:

[The Confirmation Order Obligations]

Noor will also allow the Debtors to store, free of charge, any trucks, trailers, and other Rolling Stock located on premises controlled by **Buyer** until such assets can be recovered by the Debtors' applicable secured lenders and/or lessors and ***will cooperate with such lenders and/or lessors in good faith and provide such assistance as they may reasonably request with respect to the recovery of their Collateral and otherwise take necessary actions to cause such lenders and lessors the return of their Rolling Stock.***

[The Confirmation Notice Obligations]

[Noor] is obligated to, inter alia 'cooperate with such lenders and/or lessors in good faith and provide such assistance as they may reasonably request with respect to the recovery of their collateral

and otherwise take necessary actions to cause such lenders and lessors the return of their trucks and trailers.’

See paragraph C of Section XIV of the Confirmation Order (emphasis added); See also paragraph 4 of the Confirmation Notice (emphasis added).

10. After the Closing Date, Buyer has exhibited intentional misconduct and efforts to deny AUEF access to the following thirty (30) trailers and related refrigerated units (collectively, the “Remaining Collateral”):

VIN	
527SR5326PM029054	527SR5329PL029572
527SR5328PM029055	527SR5322PL029574
527SR5328PL029580	527SR5326PL029688
527SR5320PL029346	527SR5324PL029544
527SR5325PL029553	527SR532XPL029550
527SR5321PL029551	527SR532XPL029581
527SR532XPL028964	527SR5323PL029311
527SR5320PL029556	527SR532XPM029056
527SR5323PL029552	527SR5320PL029654
527SR5327PL029554	527SR5322PL029705
527SR5328PL029546	527SR5323PL029700
527SR5329PL029555	527SR5324PL029706
527SR5325PL029567	527SR5323PL029650
527SR5327PL029568	527SR5324PL029642
527SR5327PL029571	527SR5324PL029656

11. The Buyer’s non-cooperation and non-compliance can be further described as set forth below:

EMAIL CHAIN WITH AUEF’S REPOSSESSION AGENT, BUYER’S COUNSEL, AND BUYER’S PRINCIPAL PARDEEP DHANJAL

- a. On or about April 24, 2025, at 9:51 A.M., AUEF’s repossession agent Great Lakes Asset Solutions (“Agent”) emailed Buyer’s counsel about repossession issues. More specifically, the Agent emailed Buyer’s counsel stating “[Agent has] been informed your client Noor Transport Leasing, LLC is in possession of the listed

trailers an (sic) if there are any issues to reach out to you directly. It seems Pardeep is delaying the pickup for the listed collateral in the Moreno Valley Yard. I am reaching out to see if by chance you would be able to assist in [sic] us with possibly getting these picked up sooner than later as Pardeep is only allowing release of one lender at a time. Please advise...”;

- b. After a preliminary email response on April 24, 2025, at 9:54 A.M. from Buyer’s Counsel, later that day at 1:32 P.M., Buyer’s counsel responded, copying Mr. Dhanjal, and advised that her understanding is the subject units were surrendered into the debtors’ possession on March 14, 2025, and have been sitting idle since that time. She further stated that there has been no repossession of those units as of the email date and, as a result, requested an expedited pick up;
- c. On April 25, 2025, at 12:18 P.M., the Agent replied to the same email chain and advised that Mr. Dhanjal requested authorization for third-party pick up;
- d. On May 2, 2025, at 1:46 P.M., the Agent sent a follow up email in the same email chain advising that the Agent had been trying to reach Mr. Dhanjal to facilitate a pick up of the Remaining Collateral but there has been “no response”. The Agent further advised that Mr. Dhanjal informed Agent, “you would have them [Remaining Collateral] in some time” but it had been a week with no units. The Agent made a request for confirmation as to when the units were available for pick up since the Agent was on standby. No response was received;
- e. On May 5, 2025, at 1:47 P.M., the Agent sent a follow up email in the same email chain. No response was received; and
- f. On May 7, 2025, at 9:13 A.M., the Agent sent another follow up email in the same email chain, but removing Mr. Dhanjal from the email chain, requesting assistance with recovery of the subject Remaining Collateral. The Agent further advised that VINS were provided to Mr. Dhanjal. No response was received.

EMAIL CHAIN WITH AUEF'S COUNSEL, BUYER'S COUNSEL, AND BUYER'S PRINCIPAL PARDEEP DHANJAL

- a. On or about May 6, 2025, AUEF's counsel emailed Buyer's counsel at 7:55 A.M. ET identifying the repossession issues to date and requesting a "date, time, location, and point person for onsite details" to facilitate repossession of the Remaining Collateral;
- b. In response, on May 6, 2025, at 9:01 AM ET, Buyer's counsel added Mr. Dhanjal to the email chain and asked, "Pardeep – Can you please assist on the below?". No response was received;
- c. AUEF's counsel followed up via multiple emails to Buyer's counsel and Mr. Dhanjal on May 6, 2025, at 5:25 PM ET, on May 7, 2025, and on May 8, 2025. No response was received; and
- d. The undersigned left a voicemail for Buyer's counsel on May 9, 2025. No response was received.

TELEPHONE CALLS AND ON-SITE REPOSSESSION EFFORTS

- a. On May 1, 2025, at 9:14 A.M., Agent reported to AUEF that, after receiving confirmation from Buyer's counsel that the Remaining Collateral was confirmed as ready for pick up by Mr. Dhanjal, the Agent will have a 3-way call with Mr. Dhanjal and a local agent at 9:30 AM P.T. The email update to AUEF also advised that Mr. Dhanjal reported to the agent that "[he] will look into these VINS and let you know the status in some time";
- b. On May 1, 2025, at 12:53 P.M., the Agent updated AUEF via email stating, "I just got off the phone with Pardeep and our agent. Pardeep said he has someone coming to his yard today ...Pardeep said that he will be able to update me around 1:30 P.T.";
- c. On May 2, 2025, at 8:05 A.M., the Agent updated AUEF via email stating, "We tried to call Pardeep twice yesterday and he did not answer. We are going to try again today.";

- d. On May 8, 2025, at 11:25 A.M., the Agent reported to AUEF that the Agent “was able to make contact with Pardeep and has been informed we can come pick up the listed collateral – agent is in route to go get as many picked up as they can...”;
 - e. On May 8, 2025, at 4:28 P.M., the Agent reported to AUEF that that its local agent “just called me and said they should be picking up 7 [units] today...”;
 - f. On May 7, 2025, at 3:14 P.M., the Agent reported to AUEF that the Agent “called Pardeep as he has been giving our agent the run around. I put some pressure on him and he said that 6 or 7 units are ready for pick up. [O]ur agent is going to go there tomorrow and see if any of the units we are looking for are ready to move. Last time our agent was there, they were all grid locked. We should have (fingers crossed) some units tomorrow”;
 - g. On May 8, 2025, when the Agent arrived at the yard to pick up the Remaining Collateral, only three (3) trailers were ready for pick up. Upon inspection, the VINS were not subject to AUEF’s security interest. Mr. Dhanjal denied the Agent’s request to check the VIN for any other trailer on site after being told at least seven (7) trailers were available for pick up; and
 - h. On May 9, 2025, at 9:49 A.M., the Agent reported to AUEF that “when our agent got to the yard yesterday, Pardeep told him that only 3 trailers were there. When our agent checked the VIN numbers they were not units for Atlantic Union. They were for another bank. Then at 11pm last night he emailed [stating] Hello there, I want to make it clear — the repo company did pick up some units today, but the list they have includes both leased units and rental ones. I can only act on equipment that is officially in KAL’s possession. That’s exactly what I told the repo guys. ... Pardeep Dhanjal”.
12. In short, despite repeated attempts to gain access to and take repossession of the Remaining Collateral, AUEF was denied its requests by the Buyer.
13. Therefore, Court intervention is needed.

ARGUMENT

14. AUEF seeks to compel the Buyer to comply with the Confirmation Order and Confirmation Notice and requests that this Court hold Buyer in contempt for its disobedience. After receiving multiple confirmations that units within the Remaining Collateral were available for pick up, AUEF should, at a minimum, be permitted to inspect the yard for AUEF's Remaining Collateral.

15. In the alternative, AUEF requests that this Court enter an order requiring the Buyer to show cause as to why it should not be held in contempt for violation of the Confirmation Order and Confirmation Notice.

A. The Buyer is in Contempt of the Confirmation Order and Confirmation Notice.

16. The party requesting a contempt order in a civil contempt proceeding must establish by clear and convincing evidence that (1) a court order was in effect; (2) that the order required certain conduct of the alleged contemnor; and (3) that the alleged contemnor failed to comply with such court order. *Dondero v. Highland Capital Mgmt., L.P. (In re Highland Capital Mgmt., L.P.)*, 105 F.4th 830, 837 (5th Cir. 2024); *Grossman v. Belridge Grp. (In re Lothian Oil, Inc.)*, 531 Fed. App'x. 428, 445 (5th Cir. 2013) (quoting *FDIC v. LeGrand*, 43 F.3d 163, 170 (5th Cir. 1995)).

17. This Court ordered that Buyer "cooperate with such lenders and/or lessors in good faith and provide such assistance as may reasonably request with respect to the recovery of their Collateral and otherwise take necessary actions to cause such lenders and lessors the return of their Rolling Stock." Confirmation Order, § XIV at ¶ C.

18. The Confirmation Notice identified that Buyer must "cooperate with such lenders and/or lessors in good faith and provide such assistance as they may reasonably request with respect to the recovery of their collateral and otherwise take necessary actions to cause such lenders and lessors the return of their trucks and trailers." Confirmation Notice, at ¶ 4.

19. Here, as established above, Buyer has continually failed to cooperate in good faith in accordance with reasonable requests by AUEF to access and repossess any available Remaining Collateral in Buyer's possession.

20. Accordingly, Buyer is in willful violation of the Confirmation Order and Confirmation Notice.

B. The Court should Order the Buyer Compensate AUEF for its Fees Related to the Contempt Motion.

21. A contempt sanction may be issued to coerce a disobedient party to comply with a court order as well as to compensate the moving party for losses incurred. *See Am. Airlines, Inc. v. Allied Pilots Ass'n*, 228 F.3d 574, 585 (5th Cir. 2000) (quoting *United States v. United Mine Workers of Am.*, 330 U.S. 258, 303–04 (1947)); *see also Dondero*, 105 F.4th at 839 (“Ordering one party to reimburse the legal fees of the other is a permissible sanction.”).

22. AUEF has incurred substantial fees and expenses as it relates to enforcing its most basic rights under the Confirmation Order and Confirmation Notice.

23. Accordingly, AUEF seeks reimbursement of all such fees and expenses.

CONCLUSION

AUEF respectfully requests that this Court (i) enforce the Confirmation Order and Confirmation Notice by compelling Buyer allow access and allow repossession of the Remaining Collateral in Buyer's possession, custody, or control within five (5) days after entry of any such order; (ii) order Buyer reimburse AUEF for fees and expenses incurred due to the Buyer's non-compliance set forth herein within five (5) days after entry of any such order; and (iii) further relief the Court deems appropriate.

Respectfully submitted,

By: /s/ Daniel J. Ferretti

DANIEL J. FERRETTI

Texas Bar No. 24096066

BAKER, DONELSON, BEARMAN,

CALDWELL & BERKOWITZ, PC

1301 McKinney Street, Suite 3700

Houston, Texas 77010

Telephone: (713) 650-9700

dferretti@bakerdonelson.com

KATHLEEN G. FURR*

Georgia Bar No. 589008

BAKER, DONELSON, BEARMAN,

CALDWELL & BERKOWITZ, PC

3414 Peachtree Road, Suite 1500

Atlanta, Georgia 30326

Telephone: (404) 577-6000

kfurr@bakerdonelson.com

*Admitted *pro hac vice*

Counsel for Atlantic Union Equipment Finance, Inc.

CERTIFICATE OF CONFERENCE

The undersigned hereby certifies that counsel for AUEF and counsel for the Buyer have conferred via several emails and a telephone call in an attempt to reach an agreement on the relief requested in the motion, including: Tuesday, May 6, 2025, at approximately 7:55 AM ET, 9:01 AM ET, and 5:25 PM ET; Wednesday, May 7, 2025, at approximately 11:39 AM PT; and Thursday, May 8, 2025, at approximately 11:51 AM PT, and on May 9, 2025. However, no agreement has been reached on the relief requested in the motion.

/s/ Kathleen G. Furr

Kathleen G. Furr

CERTIFICATE OF SERVICE

The undersigned attorney for AUEF hereby certifies that a copy of the foregoing has been served via the Court's CM/ECF system on May 20, 2025, on debtor's attorney, Buyer's counsel, the U.S. Trustee, the Official Committee, and Liquidating Trustee and parties requesting notice.

/s/ Daniel J. Ferretti

Daniel J. Ferretti

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:

Kal Freight, Inc., *et al.*,

Debtors.

Atlantic Union Equipment Finance, Inc.,

Movant,

v.

Noor Transport Leasing, LLC,

Respondent.

Chapter 11

Case No. 24-90614 (CML)

(Jointly Administered)

Contested Matter

**FINAL ORDER GRANTING ATLANTIC UNION
EQUIPMENT FINANCE, INC.'S MOTION TO COMPEL NOOR
TRANSPORT LEASING, LLC TO COMPLY AND TO SHOW CAUSE
WHY NOOR TRANSPORT LEASING, LLC SHOULD NOT BE HELD IN CONTEMPT**

Upon the motion of Atlantic Union Equipment Finance, Inc. (“AUEF”) for entry of an order (a) compelling Noor Transport Leasing, LLC (“Buyer”) to comply with the Order Granting Final Approval of Disclosure Statement and Confirming Plan of Liquidation of Kal Freight Inc. and its Affiliated Debtors Under Chapter 11 of the Bankruptcy Code [Docket No. 1023] (the “Confirmation Order”) and the Notice Of (I) Confirmation And Occurrence Of Effective Date Of Debtors' Plan Of Liquidation; (II) Deadlines For Filing Certain Claims And Requests For Payment; (III) Identity Of Liquidating Trustee; (IV) Closing Of Sale; And (V) Transition Services Agreement And Cooperation For Return Of Collateral/Trucks And Trailers [Docket No. 1025] (the “Confirmation Notice”) and (b) show cause why Buyer should not be held in contempt for violation of such Confirmation Order and Confirmation Notice.

It appearing that this Court has jurisdiction over this matter pursuant to 11 U.S.C. § 1334; and it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b); and adequate notice of the Motion having been given; and after due deliberation and sufficient cause appearing therefore, it is **HEREBY ORDERED THAT:**

1. The Motion is GRANTED.
2. Buyer is ORDERED to allow AUEF access and allow repossession of the Remaining Collateral¹ in its possession, custody or control within five (5) days after entry of this Order.
3. Buyer. is ORDERED to reimburse AUEF for its fees and expenses incurred due to Buyer's noncompliance as established in AUEF's motion within five (5) days after entry of this Order.
4. This Court shall retain exclusive jurisdiction with respect to all matters arising from or relating to the interpretation, implementation, or enforcement of this Order.

Signed: _____, 2025.

Christopher Lopez
United States Bankruptcy Judge

¹ Capitalized terms used but not defined in this Order shall have the meanings ascribed to them in the Motion to which this Order relates.