

Court grants Medican extension of CCAA protection

CALGARY – Medican sought and received an extension to its protection under the Companies Creditors Arrangement Act Thursday, giving the Medicine-Hat based company another 60 days to continue with their restructuring efforts.

“We’re obviously very pleased with the ruling,” Medican restructuring and insolvency adviser Ty Schneider said. “We’ve come a long way and accomplished a great deal, but there is still a lot of work to be done.”

In Thursday’s court proceedings, Madame Justice K.M. Horner of Calgary’s Court of Queen’s Bench gave Medican the authorization to proceed on a number of deals that will dispose of assets and allow construction work to continue.

The ruling affects properties in Medicine Hat, Brooks, Sylvan Lake, Edmonton, as well as properties in British Columbia.

In Brooks, Medican has secured \$633,000 in special financing that will allow for trades associated with the Edgewood townhouse project to be paid and for construction to continue. Alberta Plumbing Depot Ltd. and CWD Windows and Doors Ltd. are owed approximately \$26,000 and \$23,000 respectively. The total amount owing trades is about \$86,000.

“We have tried to ensure that the trades are paid in all of our dealings,” says Schneider. “It hasn’t always been easy, but we’re making every effort possible.”

In Medicine Hat, Medican and its monitor (Calgary-based RSM Richter) have determined that it would be in the best interest of stakeholders if the Riverstone Project were sold.

“It makes more sense to sell in this case than try and build it out,” says Schneider.

The court authorized Medican to conduct an “orderly sale” of the property.

Justice Horner also authorized the sale of some commercial property held by Medican to Cypress College, as well as the sale of a condominium.

In Sylvan Lake, Medican sought and received approval for Monarch Land Development to take title of the Axxess Project there. Money owed Monarch will be reduced by \$690,000.

In Edmonton, there will also be an “organized sales process” for Medican’s Terwilligar Project and proceeds will be held in trust.

In B.C., Medican’s lakefront development, Sonata Ridge, will also be sold off to the highest bidder.

“We are at the point now,” says Schneider, “that we must focus on development projects that are (or will become) the key part in the company’s emergence from CCAA protection.”