

Court approves sales of Medican assets, extension of CCAA protection

CALGARY – Medican, a Medicine Hat-based construction company, returned to the Court of Queen’s Bench in Calgary Thursday seeking approval of a settlement with one of its creditors, a division of the company, as well as an extension of its protection under the Companies Creditors Arrangement Act (CCAA).

Medican had applied for and received CCAA protection on May 26, 2010. Since that time, the company has been operating under the supervision of court-appointed monitor RSM Richter Inc. and chief restructuring officer Ty Schneider.

Madam Justice K.M. Horner authorized the sale of a ranch (owned in part by Medican founder Wes Reinheller) for \$700,000, as well as a parcel of land owned for \$300,000. Also approved was the sale of Medican head office building located in Medicine Hat for the sum of \$1.7 million to E.I.W.M Holdings Ltd. of Medicine Hat. Medican will continue to operate out of the building as a lessee.

The Court also approved Medican’s request to establish a new company to handle its concrete operation. The new company will operate separately from Medican, while paying the latter for use of equipment and covering all of its own expenses.

Medican sought and received an extension of its protection under CCAA until July 28, 2011.

At that time, says court-appointed Chief Restructuring Officer Ty Schneider, the company will have finalized its restructuring and payment plans.

“Our plan,” Schneider explains, “is to establish Medican as an employee-owned company with a board of directors elected by the employees.”

Schneider says that Medican is in a good position a year after receiving CCAA protection.

“These agreements authorized today,” he continues, “put the company in a good position. In the next two months, we’ll be able to come forward with a plan of arrangement for all creditors and re-establish Medican as a viable construction company.”

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