

## **Medican granted extension of its CCAA protection**

CALGARY – Medicine Hat-based Medican Group of Companies was granted a two-month extension of its protection under the Companies Creditors Arrangement Act (CCAA) in Court of Queen's Bench on Thursday.

Medican entered CCAA protection in May of last year; at that time, Calgary-based RSM Richter was appointed the monitor by the court.

Since that time, the company has secured additional funding to complete a number of projects, has paid off trades and other creditors, and restructured its operations.

"We are now anticipating leaving CCAA protection this summer," says Chief Restructuring Officer Ty Schneider. "We have secured approval for a number of land deals and build outs and are close to finalizing matters."

On Thursday, Madame Justice K.M. Horner reviewed the monitor's report and recommendations. The extension to May 31, 2011 was granted as was approval for the sale of properties in Medicine Hat (River Ridge and Valleydale Lots) and Calgary (condominiums in Sanderson Ridge).

The court approved Medican's proposal to sell its offices and warehouse facilities located in Medicine Hat. A 'Stalking Horse Bid' of \$1.5 million by Spider Electric was approved and the property is now listed. If it does not sell, Spider Electric will become the owner.

Medican was prepared to present details concerning the Chartwell Lands in Medicine Hat, but the matter was postponed to a later date.

Court heard that Medican currently has sufficient funds to pay out the remaining \$2.5 million in Debtor in Process funding that been loaned by Paragon Capital. Repayment will substantially reduce interest charges owing.

"From a cash flow perspective," says Schneider, "the company is in the best shape it has been since last May."