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A Review of the Companies' Creditors Arrangement Act



Introduction

In the past few months, Canada's economic landscaped has shifted dramatically. In response to these economic changes, this article updates clients on the current status and judicial interpretation of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.C-36 (commonly referred to as the "CCAA"), and includes proposed changes that could occur as a result of S.C. 2005, c. 47 ("Chapter 47"), which has been enacted but not declared in force. Some of the highlights of this article include:

- the procedure under the CCAA to bring a plan before the creditors for consideration and, if approved by them, to the Court for final sanction;
- the matters to be taken into account by the Court in determining whether a plan should be approved;
- collateral issues such as the effect a successful plan has under the CCAA in respect of liability of guarantors or co-debtors of the debtor company;
- corporate governance in the CCAA process;
- the role of the monitor;
- use of creditors' committees;
- debtor in possession financing; landlord claims; and
- environmental liability issues.

History

During the Great Depression, the Government of Canada recognized the need for legislation that could be used to facilitate the financial restructuring of insolvent corporations. This recognition led to the enactment of the CCAA in 1933, but it was not until the 1980's that the CCAA became widely used to carry out large corporate restructurings. At that time, insolvency practitioners recognized that the CCAA's skeletal structure provided corporations with the flexibility

needed to solve practical problems encountered in complex reorganizations. Since the last edition of BD&P's *Insolvency & Restructuring On Record* Newsletter, the federal government has enacted, but not yet ratified, Chapter 47, which will clarify and add sections to the CCAA.

General Purpose and Scheme of the Act

The long title of the CCAA: "An Act to Facilitate Compromises And Arrangements Between Companies And Their Creditors", is significant in identifying its general purpose. Recent case law has aided in the creation of a comprehensive, but not exhaustive, list of the more specific purposes of the CCAA:

- to permit an insolvent company time to avoid bankruptcy by making a compromise or arrangement with its creditors;
- to maintain the status quo for a period while the insolvent company attempts to gain the approval of its creditors for an arrangement that will enable the company to remain in operation for the future benefit of the company and its creditors;
- to protect the interests of creditors, including ensuring creditors are treated fairly in the restructuring;
- to protect the interests of those individuals whose livelihood depends on the company, including employees and the communities where the insolvent corporation is located; and
- to allow insolvent companies emerge as viable operations following times of financial difficulty, thus benefiting both creditors and the insolvent company.¹

Unlike the more comprehensive *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "BIA"), the CCAA is a skeletal regime, which provides creditors with the flexibility needed in complex restructurings. However, the skeletal regime can

make using the CCAA, a relatively costly process. Given these pros and cons, sole proprietors and small to mid-sized corporations often prefer to use the re-organization provisions of the BIA. Large corporations, however, can benefit immensely from the flexibility provided by the CCAA.

Applicability of the CCAA

The CCAA applies to both provincially and federally incorporated companies. It can also apply to any non-Canadian corporation that has assets in Canada or is doing business in Canada regardless of where that company was incorporated. For example, a U.S. corporation carrying on business in Canada could apply for relief under the CCAA with or without making a simultaneous filing under Chapter 11 of the U.S. Bankruptcy Code.

In order to apply for relief under the CCAA, the debtor company must have creditor claims of at least \$5,000,000 in aggregate amount and be a "debtor company", which the CCAA defines to include a company that is:

- bankrupt or insolvent and admit to its insolvency in its application;
- has committed an act of bankruptcy within the meaning of the BIA, or is deemed insolvent within the meaning of the *Winding-up and Restructuring Act*; R.S.C. 1985, c.W-11 (the "WURA");
- has made an authorized assignment or against which a receiving order has been made under the BIA; or
- in the course of being wound up under the WURA because the company is insolvent.

Generally speaking, a company is considered to be insolvent if the company is unable to meet its obligations as they become due or if the fair value of the company's assets is less than its liabilities.

A debtor may be considered to be insolvent if the evidence supports a finding that without creditor protection under CCAA, it would, within a reasonable period of time, run out of working capital and be in a position where it would not be able to meet its liabilities as they became due.²

To date there has been limited experience as to whether the definition of debtor corporation includes income trusts. However, following the ratification of Chapter 47, the CCAA will be amended to clarify that income trusts are “companies” for the purpose of the CCAA.

The Initial Application and Stay

Similar to Chapter 11 “Debtor in Possession” proceedings in the United States, under the CCAA, the debtor company remains in possession of its assets and can apply to the Court for an Order staying all proceedings against it pending a meeting of its creditors to vote on a proposed Plan of Arrangement. The initial application to the Court under CCAA is usually done on an ex-parte basis, ie. without notice to the creditors, though there is an increasing trend toward broader notice to creditors.³ The application must be accompanied by the filing of the debtor company’s projected cash flow and latest audited and unaudited financial statements. The purpose of the initial application is to determine whether the applicant company meets the threshold applicability requirements of the CCAA.

If the CCAA applies, the Court will usually grant an initial stay, limited to thirty (30) days, which can be extended upon application. In exceptional circumstances, Courts refuse to grant stays because the applicant is attempting to use the stay to avoid its creditors or the creditors have no confidence in the management of the debtor company. In most cases, applications for additional stays will be necessary since a restructuring under the CCAA usually take six (6) to twelve (12) months to accomplish. To obtain a continuance of the stay, the debtor company only needs to establish due diligence and good faith in respect of its efforts to carry out a successful restructuring with its creditors. However, if a creditor can prove prejudice, the creditor(s) can come before the Court at any time to request that the stay be terminated, either generally, or with respect to specific assets. In *Cliffs Over Maple Bay Investments Ltd. v. Fisgard Capital Corp.*,⁴ the court refused to extend a stay because the debtor company did not intend to propose a compromise or arrangement to its creditors; rather, it was using the CCAA to stay enforcement proceedings by creditors while it sought alternative financing.

The stay is particularly important and can have wide effect. The stay also prevents individuals from taking further “proceedings”, a term that the Courts have interpreted broadly.⁵ In *Norcen Energy v. Oakwood Petroleum*,⁶ Justice Forsyth even concluded that the Court had the jurisdiction and power to stay contractual rights of parties who were not even creditors of the debtor company, in cases where the exercise of contractual rights by non-creditors could jeopardize a successful restructuring under the CCAA.

However, as discussed below, certain claims, such as those of eligible financial contracts, are not stayed. As well, trade creditors of the debtor company can demand that future goods and services be paid in cash upon delivery.

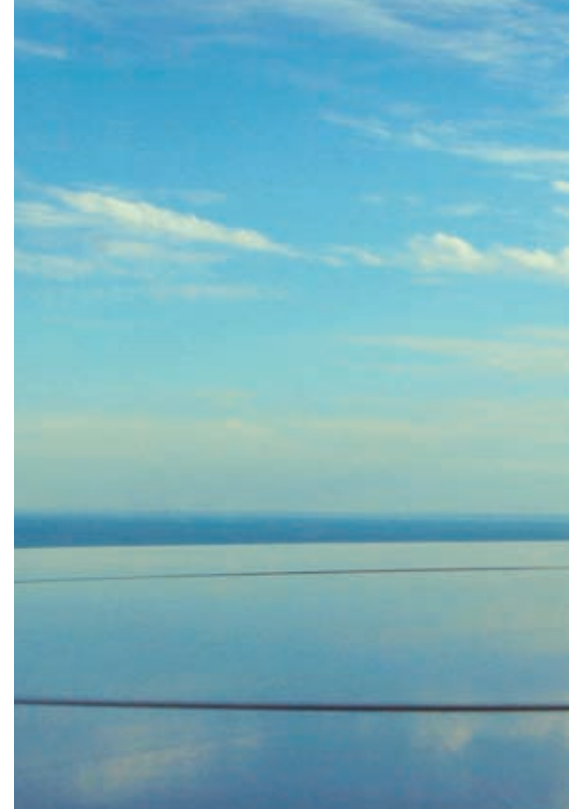
Governance of the Debtor Company

The management skills that are needed when a company is insolvent differ from the skills that are needed when a company is operating profitably. However, in most CCAA proceedings, the directors and officers of the debtor company retain their oversight and management positions. While there is currently no power to remove directors of a debtor company, Chapter 47 will allow the Court, on application, to remove directors of a debtor company. As well, at present, there are several governance positions that ensure that debtor companies have the human capital necessary to restructure the debtor successfully.

The Role of the Monitor

Where a Stay Order is granted under Section 11 of the CCAA, the Court will also appoint a Monitor, usually a licensed Trustee in Bankruptcy. Once Chapter 47 has been proclaimed in force, the accounting firm which acts as auditor of the debtor company will no longer be eligible to act as Monitor. The Monitor has the following rights and duties:

- in order to properly assess the debtor company’s business and financial affairs, the Monitor is given access to the debtor company’s property, including the premises, books, records, data and other financial documents of the company;
- the Monitor must file a report with the Court on the state of the debtor company’s business and financial affairs and the Court usually orders that the Monitor provide reports to the Court on a monthly or quarterly basis until the creditors have voted on the Plan of Arrangement;
- the Monitor must file a report with the Court forthwith after ascertaining any material adverse change in the company’s projected cash flow or other financial circumstances;



- the Monitor must carry out such other functions in relation to the company as the Court may direct. For example, the Monitor may be directed to assist the company in devising a Plan of Arrangement for consideration by the creditors and the Monitor usually prepares a report to the Court and the creditors in respect to the fairness of the Plan of Arrangement.

Where the Monitor acts in good faith and takes reasonable care in preparing his reports, the Monitor will not be liable for loss or damage to any person resulting from that person’s reliance on the report.

The debtor company is required to provide such assistance to the Monitor as is necessary to enable the Monitor to adequately carry out its functions.

In some cases, at the request of creditors, the Monitor’s role can be dramatically increased by the Court to the point where the Monitor is charged with the responsibility to liquidate the assets of the debtor with any sales being subject to Court approval.

Creditors’ Committee

The CCAA does not require the Court to appoint a Creditors’ Committee during the CCAA proceedings, however experience has shown that it is often beneficial to all parties. The Creditors’ Committee serves as a sounding board for the debtor company and the Monitor during the CCAA proceedings. Generally the Creditors’ Committee will consist of representatives of the secured and unsecured creditors who will meet on a regular basis to hear reports with respect to the status of the debtor company and its business as well as the proposals being considered as part of a Plan of Arrangement. The typical CCAA order



establishing a Creditors' Committee will include the following provisions:

- the Creditors' Committee shall govern its own affairs by a majority vote;
- it shall inquire into and receive information from the debtor company and the Monitor regarding the present and prospective financial condition of the debtor company;
- it shall be at liberty to apply to the Court for advice and directions on two (2) clear days notice to all interested parties;
- it shall receive reimbursement of reasonable out-of-pocket expenses of individual members of the Committee;
- it shall be provided with draft Plans of Arrangement and a reasonable opportunity to comment on such drafts.

In some cases it may also be appropriate that a Chief Restructuring Officer be appointed to lead the effort to devise a Plan of Arrangement and to manage the affairs of the debtor company.

Debtor In Possession Financing

Another major issue that arises when a company elects to receive CCAA protection is the need for funds to maintain operations in the interim—these funds are commonly referred to as “debtor in possession” financing (or “DIP Financing”). Despite the frequent need for DIP Financing, there is currently nothing in the CCAA specifically authorizing DIP Financing, though this will change with the ratification of Chapter 47. Understandably, DIP Financing will typically only be provided by a lender if that lender is assured that it will have a first ranking security interest and charge on the assets of the debtor company to secure the interim operating financing. Hence, there are now a number of

Court precedents for such financing even though there is no specific statutory basis for its approval. The Court, when considering an application for approval of DIP Financing, will want to be assured that all interested creditors have been served with notice of the application. As well, the Court will want to know that there is a reasonable prospect of a successful restructuring as compared to a liquidation. In most cases, the DIP Financier will require that any Plan of Arrangement be subject to its approval. In the *Air Canada*⁷ CCAA proceeding, the Court made an extraordinary Order which not only gave the DIP Financier a super priority charge on assets, but also cross-collateralized that creditor's pre-CCAA unsecured debt.

Claims

Following the initial application, an application is usually made requesting the Court to approve the “Claims Process”, including the form of “Proof of Claim” to be mailed to the creditors for completion and returned by them to establish the amounts of the claims and their status as either secured or unsecured. At this stage, the Court will also establish a “Claims Bar Date” or deadline for the filing of all creditor proofs of claim.

Similar to the stay provision, the ability of the Court to compromise or release claims is extremely broad. For example, in *ATB Financial v. Metcalfe & Mansfield Alternative Investments II Corp.*,⁸ an asset backed commercial paper case, the Ontario Court of Appeal held that the CCAA permitted the inclusion of third party releases in a plan of compromise or arrangement where the releases are reasonably related to the restructuring. Moreover, a proposed Plan of Arrangement can deal with both secured and unsecured creditors and can include claims made

against the directors of the debtor company. Important classes of unsecured creditors include tort claimants and employees. For example, in the *Red Cross*⁹ restructuring tort claimants for tainted blood were an important class of creditors. As well, while currently granted some protection, employees will gain further protection with the passage of the *Wage Earner Protection Plan Act* under Chapter 47.

In reorganizing creditors' claims, the CCAA may be used in conjunction with corporate legislation to propose a Plan of Arrangement with the shareholders of the debtor company. The Court has the jurisdiction to approve a Plan of Arrangement with shareholders under corporate legislation in conjunction with a creditor Plan under CCAA without obtaining approval from the shareholders of the insolvent debtor.

Some of the more important or unique claims are discussed in the sections that follow.

Environmental Concerns

A claim against a debtor company for costs of remedying any environmental condition or damage affecting real property of the company, shall be a claim under the CCAA, whether the condition arose or the damage occurred before or after the date in which the proceedings under the CCAA were commenced.

The CCAA also provides a special priority for claims for environmental cleanup. Any claim by the Federal or a Provincial Government against the debtor company for costs of remedying any environmental condition or damage affecting real property will be secured by a charge on the real property. This charge is enforceable in the same way as a mortgage on real property. This special environmental cleanup charge ranks

above any other claim, right or charge against the real property of the debtor company. It has been referred to as being a “super priority” charge on the debtor’s land.

Compromising GST

In almost all insolvency cases, the debtor owes Canada Revenue Agency for collected but unremitted GST. The law in Canada is now clear that GST in a CCAA case retains statutory priority over the claims of other creditors and cannot be compromised under a creditor plan. In the case of *Gauntlet Energy Corp.*¹⁰ it was ruled that GST was a super priority security claim in a CCAA. This meant that for all practical purposes, the GST had to be paid in full. The Ontario Court of Appeal came to the same conclusion in *Ottawa Senators NHL Team*.¹¹ From a creditor’s viewpoint it would be preferable if GST claims in CCAA were dealt with in the same manner as GST claims in restructurings under the BIA, i.e. as an unsecured claim with no priority over the other creditor claims.

Landlord’s Claim in a CCAA

Downsizing and reduction in operating costs are virtually automatic strategies an insolvent company will adopt in order to survive. Usually this means a surrender of an existing lease of premises in order to lease smaller premises at a reduced rent. A landlord left holding the surrendered premises will file a significantly large claim in the CCAA proceedings for the aggregate amount of rent for the balance of the lease. However, the landlord has a duty to mitigate his loss by finding a new tenant. Until recently, it was thought that a landlord’s claim in a CCAA was the same as a claim in a bankruptcy, governed in each province by provincial legislation. In Alberta, for example,

the landlord in a bankruptcy situation cannot claim in excess of the actual amount of rental arrears (if any), plus three months accelerated rent, less any occupation rent actually paid. However, the Court of Appeal in Alberta in the *Alternative Fuel Systems Inc.*¹² case, clarified the law and stated that a landlord in a CCAA case can file a claim for the full amount of its arrears of rent, plus the future rent for the balance of the term of its lease with the debtor.

Eligible Financial Contracts

One important group of claimants not covered by the CCAA process are those individuals with claims pursuant to eligible financial contracts. The 1997 amendments to the CCAA created a special group of contracts defined as “Eligible Financial Contracts” which were excepted out of the stay of proceedings power given to the Court under Section 11 of the Act.

The definition of Eligible Financial Contract is wide enough to include various types of currency and interest rate swap agreements, foreign exchange agreements and commodity purchase contracts. There are conflicting cases in Canada on the issue of whether natural gas supply contracts are “Eligible Financial Contracts”. In *Re Blue Range*,¹³ the Alberta Courts held such contracts were “Eligible Financial Contracts”, but in *Re Androskoggin*,¹⁴ the Ontario Courts held they were not. While the distinction between the two decisions appears, in part, to arise from the fact that the contracts in *Re Blue Range* were held to serve a financial purpose unrelated to the physical settlement of the contracts, given the continued uncertainty Chapter 47 will amend the CCAA to include a specific definition of “eligible financial contract”, which arguably stresses the importance of the presence of a ‘financial purpose’.

The rationale for creating this special class of contracts as an exception to the stay of proceedings power may be explained by the following quotation from the *Confederation Treasury Services Ltd.* case:

Derivative Contracts have become a key fundamental for the inter-locking financial activities of virtually every major financial and many major non-financial corporations in Canada and should, therefore, not be dealt with in such a manner as to seriously affect their efficiency.¹⁵

No Order may be made staying or restraining the exercise of any right to terminate or claim any accelerated payment under an Eligible Financial Contract. Section 11.1 (3) permits the setting-off of obligations under a terminated Eligible Financial Contract.

Contents of the Plan

The type of Plan of Arrangement used by the debtor company will depend to a large extent on the individual circumstances of the debtor company. Some examples are as follows:

- the conversion of debt to equity by way of issuance of stock along with the payment of some cash to the creditors;
- the sale of assets by the debtor company to a new company in exchange for securities and obligations of the purchaser;
- the acquisition of a public corporation by a solvent so-called “White Knight”; and
- the liquidation of the assets of a debtor company and the distribution of proceeds generated by the liquidation

There are significant income tax consequences that must be considered when preparing a plan under the CCAA. For example, it is



vital to consider avoidance of the adverse tax consequences arising as a result of any forgiveness of debt issues or any change of control of the debtor company. It is highly recommended that tax advice is sought from the very beginning of the CCAA process. In some cases, a Plan of Arrangement may be devised which will result in significant tax savings for the debtor company which enhances its ability to continue in business.

The plan filed under the CCAA normally includes at least the following:

- an information circular which provides an adequate description of the arrangement as it affects all classes of creditors and shareholders (if an arrangement with shareholders is being proposed) and any person who is affected by the plan (i.e. how are the creditors being compromised). It is necessary to ensure that all disclosure requirements under securities and corporate legislation are complied with if a publicly held debtor company is involved;
- a current balance sheet and the financial statements of the debtor company which should be audited if possible;
- appraisal evidence with respect to the assets of the debtor company;
- a description of the relative priorities of creditors (for example, a list of secured creditors and the types of security held) and a general description of the number and amount of claims of unsecured creditors;
- a description of how the creditors are being classified for the purposes of voting on the plan. The classification of the creditors should be “confined to those persons whose rights are not so dissimilar as to make it impossible for them to consult together with a view to their common interests.” This is known as the “commonality of interest test”. If there are problems that arise from the classification, application can be made to the Court for directions;
- a pro forma balance sheet which presumes approval of the plan;
- a projected cash flow of the debtor company;
- a detailed description of the proposed changes to the existing outstanding shares or the share capital of the debtor company if any such changes are contemplated under the plan; and
- a description of how contingent creditor claims will be dealt with.

When creating a Plan of Arrangement, thought should be given to dealing with all creditors in a fair and equal manner so that preference among the creditors is avoided.¹⁶

Approval of the Plan

Once the Plan of Arrangement is ready for filing with the Court, an application is made for an Order

directing that a meeting of the creditors occur and that a copy of the plan, notice of meeting of creditors, proxy, and voting letter be mailed to each of the creditors at their addresses as listed in the records of the debtor company. The Order usually provides that a notice of the meeting of creditors be published in one or more newspapers.

At the meeting of creditors, creditors in one or more classes will vote, in person or by proxy, on the proposed plan. A majority in number representing two-thirds (2/3) in value of each class of creditors must approve the plan before it can be sanctioned by the Court. There may or may not be a separate vote of the shareholders of the debtor if a corporate plan is being proposed in conjunction with the CCAA plan with creditors. The need for a shareholder vote will be determined by the Court.¹⁷

If the plan is approved by the creditors, the plan may then be sanctioned by the Court. The Court is not obligated to sanction the plan even if it has been approved by the required majority of creditors. It is a purely discretionary exercise, and the Court may find that the plan is not economically feasible or in the best interests of all the creditors.¹⁸ The Court must be satisfied that all statutory requirements have been complied with, that there have not been any preference payments or transfers of assets to creditors, that creditors have been properly classified for voting purposes, and that voting procedures were properly followed.¹⁹ As well, the Court will often want to know the level of sophistication of the parties to ensure that the plan is fair and reasonable.

Once the Plan of Arrangement is approved by the requisite majority of each class of creditors and is sanctioned by the Court, the plan will be binding on all creditors dealt with under the plan.

Effect on Guarantors and Co-Debtors

The acceptance of a plan by the creditors of the debtor company does not necessarily release guarantors from their obligations.²⁰ In fact, in *Re Keddy Motor Inns (No. 3)*,²¹ the Court found that strict statutory requirements are not met where a plan includes provisions prohibiting creditors from proceeding against guarantors of indebtedness of the debtor company. However, one should also note the ex parte Order granted by Thackray J. in *Re Quintette Coal Ltd.*²² which enjoined creditors from making demands for payment upon any guarantor of an obligation of the debtor. As well, in *ATB Financial v. Metcalfe & Mansfield Alternative Investments II Corp.*,²³ the Ontario Court of Appeal held that claims against the third parties could be released because the third party was necessary to the re-organization process.

Appeals

Any party or shareholder who objects to the Orders or decisions made under the CCAA may apply for leave to appeal under Section 13 of the CCAA. The right to appeal is not automatic under CCAA and the standard of review is quite high.

Summary

The CCAA has proven to be a flexible and effective tool for carrying out complex restructurings of the financial affairs of insolvent corporations. Liquidation of insolvent corporations results in loss of good will or going concern value, elimination of jobs, and usually a low return to secured creditors, let alone any return for the unsecured creditors. In the right circumstances, the CCAA provides an ideal framework to implement a plan which avoids liquidation and is beneficial to all the stakeholders involved. Although there was some concern that the CCAA would be eliminated, in fact, the 1997 amendments have streamlined the provisions of the Act and strengthened its effectiveness. It is anticipated that the Chapter 47 amendments, when proclaimed in force, will further solidify the CCAA's position as the preferred framework for complex financial restructurings.

Footnotes

- ¹ Janis Sarra, *Rescue! The Companies' Creditors Arrangement Act* (Toronto: Thomson Carswell, 2007) at p. 9.
- ² *Re Stelco Inc.* (2004), 48 C.B.R. (4th) 299 (Ont. S.C.J.).
- ³ Sarra, *supra* note 1, p. 18.
- ⁴ (2008), 46 C.B.R. (5th) 7 (B.C.C.A.).
- ⁵ *Meridian Developments Inc. v. Toronto Dominion Bank; Meridian Development Inc. v. Nu-West Group Ltd.* (1984), 52 C.B.R. (N.S.) 109 (Alta. Q.B.).
- ⁶ (1988), 72 C.B.R. (N.S.) 20 (Alta. Q.B.).
- ⁷ *Re Air Canada* (2003), 42 C.B.R. (4th) 163 (Ont. S.C.J.).
- ⁸ *ATB Financial v. Metcalfe & Mansfield Alternative Investments II Corp.*, 2008 ONCA 587.
- ⁹ *Canadian Red Cross Society* (1998), 5 C.B.R. (4th) 299 (Ont. S.C.J.).
- ¹⁰ *Re Gauntlet Energy Corp.* (2003), 49 C.B.R. (4th) 213 (Alta. Q.B.).
- ¹¹ *Canada (Attorney General) v. Fleet National Bank* (2005), 73 O.R. (3d) 737 (C.A.).
- ¹² *Alternative Fuel Systems Inc. v. Remington Development Corp.* (2004), 47 C.B.R. (4th) 1 (Alta. C.A.).
- ¹³ *Re Blue Range Resource Corp.* (2000), 20 C.B.R. (4th) 187 (C.A.).
- ¹⁴ *Re Androscooggin Energy LLC* (2005), 75 O.R. (3d) 552 (C.A.).
- ¹⁵ *Confederation Treasury Services Ltd. v. Nees International Bancorp Inc.* (1997), 45 C.B.R. (3d) 204 (Ont. Gen. Div.).
- ¹⁶ David H. Goldman, David E. Baird and Michael A. Weinczok, *Arrangements Under the Companies Creditors Arrangement Act*, (1991) 1 C.B.R. (3d) 135.
- ¹⁷ *Re Wellington Bldg Corp.* (1934), 16 C.B.R. 48 (Ont. H.C.J.).
- ¹⁸ *Re 339531 B.C. Ltd.* (1989), 72 C.B.R. (N.S.) 310 (B.C.S.C.).
- ¹⁹ *Re Wellington*, *supra* note 12.
- ²⁰ Mark E. Meland, *Extending Protection to Third Parties in a Restructuring Plan – An Overview* (1993), 20 C.B.R. (3d) 61.
- ²¹ *Re Keddy Motor Inns (No. 3)* (1991), 107 N.S.R. (2d) 424 (S.C.).
- ²² *Re Quintette Coal Ltd.* (1991), 7 C.B.R. (3d) 165 (B.C.S.C.).
- ²³ *Metcalfe*, *supra* note 8.



International Women's Day

BD&P was pleased to host a luncheon on March 9, 2009 in recognition of International Women's Day. The luncheon served as a fundraiser for the not-for-profit organization, Canadian Women for Women in Afghanistan, www.W4Wafghan.ca and featured guest speaker Sally Armstrong.

Sally Armstrong, a member of the Order of Canada and Amnesty International award winner, is an accomplished author, filmmaker and journalist who has covered conflicts in Bosnia, Somalia, Rwanda and Afghanistan. She is the author of two best selling books focussed on the women of Afghanistan, *Veiled Threat: The Hidden Power of the Women of Afghanistan*, published in 2002 and most recently, *Bitter Roots Tender Shoots: the Uncertain Fate of Afghanistan's Women*, published in 2008. Sally, an engaging speaker, has spent significant time in Afghanistan and took her audience behind the scenes to learn of the day to day struggles and hardships of the Afghan women.

The *Canadian Women for Women in Afghanistan* organization was co-founded by Calgarians Janice Eisenhower and Carloyn Reicher who met in a Development Studies course at U of C and were shocked by the human rights violations of Afghan women under the Taliban regime. They began to explore ways to help Afghan women in a tangible and effective way and from there women across the country joined together in solidarity as members of this uniquely Canadian network. There are now 14 chapters and affiliated groups in Canada, which are focused on the goal of advancing rights and opportunities for Afghan women at a grassroots level. The organization has no paid staff, with 100% of the fund raised through donations of individual Canadians being directed to programmes run by or for Afghan women in the areas of health care, education, skills training and human rights awareness.

One of the clever initiatives of CW4wafgan is *Breaking Bread for Women* where women across Canada have host pot-luck evenings with friends in their own homes — with 10 friends each contributing \$75. The \$750 raised by a pot luck dinner pays the salary of an Afghan teacher for one year. To date the initiative has raised over \$1 million dollars and helped send 50,000 young girls to school.

Thank you to Sally Armstrong and all the volunteers of CW4Wafghan for making a difference.

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