

SUPERIOR COURT

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No.: 500-11-062636-234

DATE: APRIL 11, 2024

BY THE HONOURABLE CHRISTIAN IMMER, J.S.C.

IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF:

**DMSC REAL ESTATE INC.
9503-6737 QUEBEC INC.
9503-6752 QUEBEC INC.
BRUNSWICK MEDICAL CENTRE @ GLEN INC.**
Debtors

and

**BUSINESS DEVELOPMENT BANK OF CANADA
THE TORONTO-DOMINION BANK**
Applicants

and

RAYMOND CHABOT INC.
Monitor

Reasons for Rendering the
Re-Amended and Restated Transition Order on
April 11, 2024

[1] On April 11, 2024, the Applicants presented a *Motion for the extension of the stay of proceedings and the issuance of a Re-Amended and Restated Transition Order*. No parties contested this motion and the Monitor supported this request with a detailed report and supplementary report and his testimony.

[2] The Court signed a *Re Amended and Restated Transition Order (Order)* granting the sought after order P-4A with minor modifications, with reasons to follow. These are the summary reasons for doing so.

[3] The Court rendered an *Amended and Restated Transition Order* on January 22, 2024 (the **ARTO**). On February 9, 2024 the Court rendered an *Amended and Restated Approval and Vesting Order (ARAVO)*, and provided detailed reasons for doing so.¹ The Court refers to these reasons for the context and will only address the issues which are the subject of the amendments set out in the Order.

[4] As authorized by the ARAVO, Brunswick Health Group, Brunswick Medical Center inc., Brunswick Minor Surgery inc., The Children's Clinic @ Pointe-Claire inc., Brunswick Endoscopy inc., Brunswick Research Inc. and Solutions SanoMed (the **Target Entities**) ceased to be Debtors under these CCAA proceedings and were deemed to be released from the purview of any Order of this Court granted in these CCAA Proceedings.

[5] The Target Entities' assets, contracts and liabilities, which were not retained by the Targe Entities were transferred into 9503-6737 Québec inc. (**BHG Resco**) and 9503-6802 Quebec inc. (**ResidualCo**) which were constituted in the context for the purpose of carrying out the ARAVO. As ordered in the ARAVO, ResidualCo was deemed to have made an assignment in bankruptcy. The bankruptcy now follows its course.

[6] Brunswick Medical Centre @ Glen Inc. (**Glen**) who was also subject to the CCAA proceedings had no activities having sold all its assets prior to the filing of the NOI. It will not file any proposal and also intends to make an assignment in bankruptcy. That is why, in the Order, the Court broadened the Monitor's powers to allow it to make an assignment on behalf of Glen.

[7] After the ARAVO and the above-mentioned assignments in bankruptcy, there now remain three Debtors under this CCAA proceeding, namely 9503-6737 Québec inc. (**BHG Resco**), 9503-6752 Québec inc. (**DMSC Resco**) the two being added as Debtors in the Order.

[8] Several charges can now be discharged and terminated. The ARTO was therefore amended accordingly as is reflected in the Order:

8.1. The interim financing and the interest, costs and fees related thereto have

¹ *Proposition de Brunswick Health Group Inc.*, 2024 QCCS 539.

been paid to the lenders. The Interim Financing and Interim Financing Charge which secured payment of these sums is therefore terminated and discharged.

- 8.2. The physicians whose billings were being handled by the Group were represented by a legal representative (the Representative). The Representative's fees were secured by the Representative Charge. These fees have been paid to the Representative and the Representative Charge will therefore be terminated and discharged.

[9] Other charges remain in place as is reflected in the Order:

- 9.1. As there remains a balance of the sale price to be collected, further sums may be owing to the Financial Advisor and, hence, the Financial Advisor Charge will remain in place.
- 9.2. It could not be confirmed that all sums have been received by the professionals at the time of rendering this Order in favour of whom the NOI administration charge was created. Therefore, the NOI Administrative Charge will remain in place.
- 9.3. Ongoing work in the CCAA proceedings continues and the Administration Charge and the Applicant's Counsel Charge remain in place.

[10] As the Group is no longer proceeding to the collection of the RAMQ payments, there is no longer any need for the mandate given to the Interim Receiver. The ARTO was therefore amended accordingly as is reflected in the Order.

[11] The Debtors must now proceed to the next phase of the restructuring, i.e. the sale of the Building. The Monitor is overseeing the collection of rents. The Monitor has chosen to carry out the Building's management with the assistance of two former BHG employees, as this is the most cost efficient solution. The Monitor is ensuring that the necessary maintenance or reparations are made in due course. Furthermore, the Monitor is exploring what capital expenses may need to be made.

[12] In order to sell the Building, the Monitor is presently soliciting offers of services from real estate brokers who will also provide guidance as to the offering price. If the purchase price can generate sums greater than the outstanding debts of the secured creditors and the sale transaction costs, than it is hoped that distributions can be envisaged to BHG Resco's creditors.

[13] The Court is therefore convinced that it necessary to extend the stay of proceedings as per par. 11.02(2) CCAA. The Debtors fulfill the conditions set out in s. 11.02(3) CCAA: it remains appropriate to extend the stay of proceedings and the Debtors continue to act in good faith and with due diligence.



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Hearing date: April 11, 2024