

IN THE SUPREME COURT OF NOVA SCOTIA
Citation: Federal Gypsum Company (Re), 2007 NSSC 384

Date: 2007/12/14
Docket: SH 285667
Registry: Halifax

In the Matter of: *The Companies' Creditors Arrangement Act*, R.S.C. 1985,
c. C-36 as amended

- and -

In the Matter of: The Plan of Compromise or Arrangement of the Applicant,
Federal Gypsum Company

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Judge: The Honourable Justice A. David MacAdam

Heard: November 29 and December 14, 2007, Orally Halifax, Nova Scotia

Written Decision: January 29, 2008

Subject: Corporations - Arrangements and Compromises - under *Companies Creditors Arrangement Act* - Application for Increased Debtor in Possession (DIP) Financing - Classification of Creditors

Summary: The applicant obtained an order under the *Companies' Creditors Arrangement Act* providing for a stay and later an order providing for debtor in possession financing. Subsequent applications resulted in extensions of the stay and approval for additional debt financing. The company filed with the court its proposed plan of arrangement and compromise.

Issue: It seeks approval to call a meeting of creditors to consider the plan, approval of classification of the creditors for voting on the plan, preliminary approval by the court of the plan, an extension of the stay determination date and approval of arrangements for further additional debtor in possession of financing.

Result: Although objected to by one of the secured creditors on the basis that the assets secured by its security were at risk, if additional debt financing was approved, and the stay termination date extended. The classifications of creditors proposed by the Company were confirmed by the Court. A meeting of creditors was ordered.

***THIS INFORMATION SHEET DOES NOT FORM PART OF THE COURT'S DECISION.
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