
Proposal of Healthchain Inc. [Court File No. 31-2623988] [PV-Active.FID702424]

Dietrich, Madam Justice Bernadette (SCJ) <Bernadette.Dietrich@scj-csj.ca>

Wed, Oct 14, 2020 at 3:27 PM

To: Alex Ilchenko <ailchenko@pallettvalo.com>

Cc: Monty Dhaliwal <mdhaliwal@pallettvalo.com>, "rahn.dodick@dodick.ca" <rahn.dodick@dodick.ca>, "rshon@reddscapital.com" <rshon@reddscapital.com>, "langer@chrc.net" <langer@chrc.net>, "adam@adamcole.ca" <adam@adamcole.ca>, "Sharon Kour (skour@wflaw.ca)" <skour@wflaw.ca>, "Anissimova, Alsou (MAG)" <Alsou.Anissimova@ontario.ca>, "Minassian, Ade (MAG)" <Ade.Minassian@ontario.ca>

A hearing was held via Zoom videoconference in the above-noted matter this morning.

The counsel and others in attendance are shown on the attached counsel slip.

The following is my endorsement.

Endorsement

The Proposal Trustee brings this motion approving the proposal of Healthchain Inc. (the "Company") as voted on and approved by the creditors at the Meetings of Creditors held on September 14, 2020.

The motion is unopposed.

Under the proposal, the ordinary unsecured creditors will receive shares of Healthchain Inc. (the "Company") if they are accredited investors and execute a Unanimous Shareholder Agreement, or alternatively, a pro rata share of an Unsecured Payment Fund, if they are not accredited investors. The proposal provides for a full recovery for the unsecured creditors. By contrast, in the event of bankruptcy, no amounts would be available for distribution to the ordinary unsecured creditors. The DIP lender will receive shares in full satisfaction of the DIP lender's claim.

At the meeting of creditors, the unsecured creditors accepted the proposal by 66.67% by number representing 97.31% of value of the Company's unsecured creditors entitled to vote. The proposal is unanimously accepted by the DIP lender, the Company's only secured creditor.

For the reasons that follow, I am satisfied that the proposal should be approved.

The "double majority" voting threshold set out in s. 54(2) of the *Bankruptcy and Insolvency Act* has been met. This factor is entitled to substantial deference: *Kitchener Frame Limited (Re)*, 2012 ONSC 234, at para. 21. The proposal is reasonable, calculated to benefit the general body of creditors, and appears to have been made in good faith and with due diligence, taking into account the interests of the debtor, the creditors and the interests of the public at large in the integrity of the bankruptcy system: *Kitchener Frame*. The proposed distributions to the unsecured creditors is advantageous to them and maximizes their recovery.

The proposal Trustee seeks the approval of the proposal; its report dated October 1, 2020 and its activities described therein; a discharge of the proposal Trustee on the Maturity Date of the proposal from the enhanced powers granted by this court; and a discharge of the Administration Charge and the DIP Lender's Charge ordered by this court. This relief should be granted.

Order to go in the form attached hereto and signed by me. The Order is effective as of today's date and it is not necessary that it be entered.



Dietrich J.

Superior Court of Justice (Toronto)

October 14, 2020

2 attachments



Counsel Slip- Proposal of Healthchain Inc. 31-2623988 - 4613926v1.DOCX

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