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Plan of Arrangement Under the CCAA or Assignment in Bankruptcy Under the BIA: Which Takes Priority?

June 1, 2010

Which group of creditors is entitled to the money held by a monitor for the purposes of carrying out a plan of arrangement under the CCCA when the debtor goes bankrupt prior to the distribution: only the creditors covered by the plan of arrangement, or all of the creditors, even those not covered by the plan, for example, subsequent creditors?

This controversial issue was considered by Judge Jean-Yves Lalonde in the matter of the bankruptcy of *Ressources Meston Inc*. He concluded that such amounts are vested exclusively in the creditors covered by the plan of arrangement.

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