CCAA: Bet on the right horse – the “stalking horse” in Quebec

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The case of the arrangement respecting White Birch Paper (the “**White Birch Group**”) was one of the most significant matters brought before the Commercial Division of the Superior Court of Quebec in 2010. Not only did this matter receive a lot of attention on account of its crossborder aspect and the number of parties involved, it also constituted a precedent for sales of assets under the new provisions of the *Companies' Creditors Arrangement Act* (the “CCAA”). In particular, Mr. Justice Robert Mongeon approved a relatively complex process for the solicitation of offers and the sale of assets based on the American “stalking horse” method and allowed a secured creditor to use the secured portion of his debt to bid on the assets offered for sale (“credit bidding”). While credit bidding is the subject of another *In Fact and In Law* bulletin, this article is intended to focus on the use of the stalking horse method.

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