

**CITATION:** PCAS Patient Care Automation Services Inc. (Re), 2012 ONSC 3147  
**COURT FILE NO.:** CV-12-9656-00CL  
**DATE:** 20120528

**SUPERIOR COURT OF JUSTICE – ONTARIO**

**COMMERCIAL LIST**

**RE:** IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

AND IN THE MATTER OF a plan of compromise or arrangement of PCAS Patient Care Automation Services Inc. and 2163279 Ontario Inc., Applicants

**BEFORE:** D. M. Brown J.

**COUNSEL:** S. Babe and I. Aversa, for the Applicants

M. Wasserman, for the Monitor, Pricewaterhouse Coopers Inc.

R. Thornton and A. Shepherd, for 2320714 Ontario Inc., the DIP Lender

D. Bulas, for Castcan Investments

K. Kallish, for Royal Bank of Canada

M. Laugesen, for the Successful Bidder, DashRx, LLC

C. Besant, for Walgreen co.

**HEARD:** May 28, 2012

**REASONS FOR DECISION**

**I. Request for an extension of the stay of proceedings under the CCAA**

[1] PCAS Patient Care Automation Services Inc. and 2163279 Ontario Inc. move under the *Companies' Creditors Arrangement Act* for an extension of the stay of proceedings until June 6, 2012. At the hearing I granted and signed the order sought; these are my Reasons for so doing.

## II. Analysis

[2] The history of this matter is set out my previous Reasons.<sup>1</sup> The stay of proceedings was due to expire today. The applicant companies sought an extension until June 6, 2012.

[3] On May 14, 2012, I approved a sale and investor solicitation process (“SISP”). The applicants, and the Monitor through its Sixth Report dated May 28, 2012, reported on the conduct of the SISP and its result. A Successful Bid, superior to the Stalking Horse Bid, has been selected. The Successful Bidder is DashRx, LLC, a Delaware corporation formed by an investment fund. The Major Customer referred to in previous Reasons is Walgreen Co. which will be participating in the Successful Bid.

[4] The Successful Bidder remitted a cash deposit to the Monitor. The applicants anticipate that the terms of the Purchase Agreement will be finalized by tomorrow.

[5] The applicants seek an extension of the stay of proceedings until June 6 to enable them to (i) finalize the Purchase Agreement, (ii) serve and file a motion for approval of the Purchase Agreement and a vesting order, (iii) argue the motion next Monday, June 4, and, (iv) close the deal, if approved, by June 6.

[6] The applicants have sufficient cash flow to take them through to the morning of May 31, 2012. The Successful Bidder has committed to fund the applicants until closing, up to the amount of \$250,000, with any advance not being deducted from the purchase price or subject to any super priority charge – i.e. it would rank as unsecured debt. Advance of the interim funds is subject to the Successful Bidder agreeing with the applicants on a budget. The Monitor will vet the budget. The parties anticipate the budget will be completed by May 30.

[7] The Monitor filed a revised cash flow forecast for the period from May 28 to June 15, 2012.

[8] The Monitor supports the applicants’ request. No party opposes.

[9] In its Sixth Report the Monitor expressed the view that the applicants have acted, and are acting, in good faith and with due diligence. I agree that the evidence supports such a conclusion: CCAA, s. 11.02(3)(b). I do not intend to review in detail the evidence filed concerning the conduct of the SISP; that will occur on the approval motion next week. However, that evidence clearly indicated that the applicants have worked hard to market the companies and to secure a bid for consideration. The extension of the stay is required in order to allow the applicants to provide interested parties with sufficient notice of the approval motion. Provided the Successful Bidder advances some interim financing, the companies will have sufficient liquidity to see them through the approval motion and, if approval is granted, the closing. Given

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<sup>1</sup> April 20, 2012 (2012 ONSC 2423); May 5, 2012 (2012 ONSC 2714); May 8 (2012 ONSC 2778); May 14, 2012 (2012 ONSC 2840).

those circumstances, I was satisfied that an extension of the Stay Period until June 6, 2012 should be granted pursuant to CCAA s. 11.02(2) and (3).

[10] I also approved the Monitor's Sixth Report and the activities reported therein.

**III. Next hearing date**

[11] The motion for an approval and vesting order will be heard before me next Monday, June 4, 2012, commencing at 4:45 p.m. in Courtroom 804, 393 University Avenue, Toronto. In the event the parties require an attendance before that time, they should contact Joe DiPietro at the Commercial List Office.

(original signed by)

D. M. Brown J.

**Date:** May 28, 2012