

Frequently Asked Questions

Why is TLC filing for this court protection?

Filing under Companies' Creditors Arrangement Act (CCAA) allows TLC to find a solution for its current financial problems. TLC's goal under CCAA is to preserve and protect as many properties as possible and to repay creditors to the fullest extent possible. CCAA gives TLC the time and the flexibility to restructure the organization.

The Board has explored every option and done everything possible under existing conditions, while communicating the situation to members, stakeholders and the community. This is the only option that can deal with the large number of unique properties and creditors in a way that ensures the best outcomes for all.

What is the CCAA?

The Companies' Creditors Arrangement Act (commonly referred to as the "CCAA" or the "CC, double A") is a Federal Act that allows financially troubled corporations and other organizations the opportunity to restructure their affairs. By allowing an entity to restructure its financial affairs, through a formal Plan of Arrangement, the CCAA presents an opportunity for the entity to avoid bankruptcy and allows the creditors to receive some form of payment for amounts owing to them by the company.

How will the restructuring be done?

The Land Conservancy of BC (TLC) will work with land consultants, legal and financial advisors and interested parties in a process that will preserve and protect as many of the properties as possible as well as pay out all creditors to the fullest extent possible. The process will be conducted under the review of an independent, court appointed officer (the "Monitor"), and under the supervision of a judge of the Supreme Court of British Columbia. TLC will keep members informed as the CCAA process unfolds.

What went wrong? How did TLC end up in this situation?

As an organization, TLC made some mistakes. Properties were taken into TLC's portfolio that were not adequately financed, and this ultimately led to its financial difficulties. Properties that were at risk of environmental degradation were taken on without a clear plan for meeting the on-going costs of maintenance and protection. It was hoped that donations would fulfill these costs, but the anticipated level of donations was never achieved.

Will properties be sold?

Under CCAA, TLC will have time to make informed decisions and the flexibility to look at ways of partnering with other organizations with a view to selling or transferring certain properties in a way that retains the purpose for which they were originally protected, while also improving TLC's financial situation.

Options may include selling or transferring properties with covenants in place; identifying opportunities to swap properties; transferring densities; and other yet to be identified means of creating value for TLC while preserving the protection for the properties.

One TLC property in Sechelt was listed for sale earlier this year. Others may well be sold or transferred, subject to the Monitor's and the Court's approval. TLC remains committed to preserving and protecting as many properties as possible through the use of covenants and other means.

How is the CCAA process being paid for?

Certain properties have been put up as security to obtain financing for the restructuring process. This financing has come in the form of loans from members and friends of TLC. The objective of the CCAA process is resolve TLC's outstanding financial uncertainty for the long-term.

What is the status of the Annual General Meeting?

The court has directed TLC to go the Registrar to obtain an extension on the date for the next AGM. It is usual during a CCAA process to have stability with the Board of Directors while the restructuring process is underway.

Should I still donate to TLC? Where would my money go?

TLC is grateful for support from members in the past, and we welcome and appreciate on-going support. TLC remains committed to its primary mandate to benefit the community by protecting habitat for natural communities of plants and animals. TLC is also committed to keeping its membership informed as it goes through this restructuring process. TLC's daily operations, managing covenants and properties, will continue uninterrupted under the leadership of John Shields, who joined TLC as Director of Operations in August.