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## *Canadian Lawyer* Features Natasha MacParland on Increasing Use of Reverse Vesting Orders and Other Restructuring Trends

The emergence of reverse vesting orders (RVOs) to facilitate sales under the *Companies' Creditors Arrangement Act* was a significant feature of insolvency-related court proceedings in 2020, according to a [Davies report](#) highlighted this week in *Canadian Lawyer*.

In the [article](#), Davies partner and co-author of the report [Natasha MacParland](#) explains that with an RVO structure, the unwanted liabilities, assets and contracts are vested in a new corporation, allowing the original corporation's shares to be sold to a purchaser "free and clear" of those unwanted liabilities.

"It's a cleansing of the old company," Natasha says, adding that RVOs are used in "transactions where you want to keep the original structure for tax purposes, obtain maximum value or keep essential licences in the future company, such as in the cannabis sector."

Looking at CCAA filings across geographies and sectors, the report notes the aggregate value of mining and oil and gas extraction liabilities topped other sectors at over \$2 billion. At the same time, the accommodation and food services sector provided an example of "the general trend seen throughout the pandemic: the big get bigger; the small and local struggle."

Natasha says there is also concern regarding industries such as manufacturing, real estate, construction and professional services, "where we are starting to see an increasing number of receiverships, something we're keeping an eye on."