

District of Alberta
Division No: 01-Edmonton
Court No: 24-115741
Estate No: 24-115741

**IN THE MATTER OF THE BANKRUPTCY OF
644036 ALBERTA LTD.**

**MINUTES OF THE FIRST MEETING OF CREDITORS
(ORDINARY ADMINISTRATION)**

Minutes of the First Meeting of Creditors held at the offices of Faber Inc., 10047 – 81 Avenue, Edmonton, AB on the 5th day of February 2015, at the hour of 10:00 o'clock in the forenoon/afternoon.

Present - As listed on the schedule attached hereto as Exhibit "A".

The Trustee, Faber Inc., by its representative, Dan Faber, CA, CIRP, Trustee in Bankruptcy, called the Meeting to order and stated that he would chair the Meeting pursuant to Section 105(1) of the *Bankruptcy and Insolvency Act* ("Act").

Garrett Chan of Faber Inc. performed the duties of Secretary.

The following documents were tabled:

1. Bankruptcy Order
2. Certificate of Appointment of Trustee
3. Trustee's Preliminary Written Report to the Creditors
4. Proof of Publication in Local Newspaper
5. Notice to Creditors of Bankruptcy and First Meeting of Creditors
6. Trustee's Affidavit of Mailing

QUORUM

The chairperson advised the Meeting that pursuant to section 106(1) of the Act, one creditor entitled to vote, or the representative of such a creditor, constitutes a quorum for a Meeting of Creditors.

There having been due notice and a quorum of creditors present either personally or by proxy, the Meeting convened.

CALCULATING THE VOTES OF CREDITORS AT THE MEETING

The chairperson advised the Meeting that pursuant to Section 115 of the Act, all questions at the Meetings of Creditors shall be decided by ordinary resolution carried by the majority of votes, and for that purpose the votes of a creditor shall be calculated by counting one vote for each dollar of every claim of the creditor that is not disallowed.

PURPOSE OF MEETING

The chairperson advised that pursuant to Section 102(5) of the Act that the purpose of the Meeting of Creditors shall be:

- i) to consider the affairs of the Bankrupt;
- ii) to affirm the appointment of the Trustee or substitute another in place thereof;
- iii) to appoint Inspectors; and
- iv) to give such directions to the Trustee as the creditors may see fit with reference to the administration of the estate.

TRUSTEE'S WRITTEN PRELIMINARY REPORT

The Trustee by its representative circulated the Trustee's written preliminary Report to the Meeting and read the Report.

QUESTIONS ARISING FROM THE TRUSTEE'S REPORT

The chairperson advised the creditors that the Meeting is open for questions arising from the Trustee's Report.

There were no discussions with respect to the Trustee's Report.

GENERAL DISCUSSION AND QUESTIONS PERTAINING TO THE AFFAIRS OF THE BANKRUPT

The chairperson advised the creditors that the Meeting is open for general discussions from the creditors with respect to the affairs of the Bankrupt.

A general discussion followed regarding the affairs of the bankrupt and the chain of events leading up to the petitioning creditor's application for a bankruptcy order including the details of Morbank's past dealings with certain past officers of the bankrupt corporation.

Roger Field, a former officer of the bankrupt, is bankrupt and Faber is trustee. Dividends that Morbank receives from the Field bankruptcy will reduce the claim in 644 as the debt is joint and several.

John Tiberio confirmed that the only remaining assets of the corporation, as far as he is aware, are an action against a company from which the bankrupt purchased land in 2007 (Action #0603 12941) and an action against Morbank commenced by 644 in British Columbia.

Morbank is deliberating on taking an assignment of the former action pursuant to section 38 of the BIA. The trustee clarified the operation of section 38 and its implications.

An action similar to the British Columbia action commenced against Morbank was struck in Alberta as vexatious. Morbank has provided the trustee with documentation pertaining to both actions so that it may perform its due diligence. The trustee confirmed that the action has vested in the trustee and that it has received confirmation that William Grantmyre had resigned in his capacity as officer. He no longer has the capacity to advance the action against Morbank.

The trustee advised the meeting that it has been unable to locate the books and records of the bankrupt and will continue its duty in recovering them. Tiberio confirmed that it is unlikely that the books and records will be located and does not believe there will be much value even if found.

The Trustee confirmed one of its remedies under the BIA is an examination of the former officers of the bankrupt. Mr. Tiberio noted this but has had past dealings with them and is of the opinion that it would be of little use.

MOTION FOR THE APPOINTMENT OF TRUSTEE

The chairperson advised the Meeting that the creditors may:

- a) affirm the appointment of Faber Inc. as Trustee and for the purpose of voting to affirm the appointment of the Trustee the creditors vote shall be determined by ordinary resolution; or
- b) vote to appoint or substitute another licensed Trustee in place of Faber Inc. pursuant to Section 14 of the Act and for that purpose the creditors vote shall be determined by special resolution.

The chairperson called for a motion for the affirmation of the appointment of Faber Inc. as Trustee of the Estate of the Bankrupt.

Moved by John Tiberio

That the appointment of Faber Inc. as Trustee of the Bankrupt Estate be affirmed.

Motion Carried

MOTION FOR THE APPOINTMENT OF INSPECTORS

The chairperson advised the Meeting that pursuant to Section 116 of the Act the creditors shall appoint one or more, but not exceeding five, Inspectors of the Estate of the Bankrupt.

The Trustee advised that John Tiberio is unable to be appointed as an inspector, pursuant to Section 116(2) of the Act, as he is a defendant in the BC legal action commenced by 644.

The chairperson called for a motion for the appointment of Inspectors of the Bankrupt Estate.

There was no motion made by the creditors for the appointment of Inspectors.

DIRECTIONS TO THE TRUSTEE BY THE CREDITORS

The chairperson advised the creditors that the Meeting is open for any directions by the creditors to the Trustee with respect to the administration of the Estate of the Bankrupt and the realization of assets that vest in the Trustee.

The creditors provided the following directions to the Trustee.

1. The Trustee is to investigate the BC action initiated by 644 against Morbank and discontinue the action if there is no merit to the claim.
2. Once the Trustee makes a determination, the Trustee is to draft a letter to creditors regarding a Section 38 application on Action # 0603 12941.

ADJOURNMENT

There being no further business the chairperson requested a motion from the creditors to adjourn the Meeting.

Moved by John Tiberio

Motion Carried and the Meeting adjourned at 10:45 o'clock in the forenoon.

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Dan Faber, Chairman

TO: Clerk of the Court
Court of Queen's Bench of Alberta
In Bankruptcy and Insolvency

AND TO: Industry Canada
Office of the Superintendent of Bankruptcy

AND TO: All Proven Creditors

AND TO: 644036 via its 100% shareholder WCMI Financial Inc.

