

**IN THE MATTER OF THE DIVISION I PROPOSAL OF
PINNACLE IM-EX (CANADA) INC.**

MINUTES OF THE MEETING OF CREDITORS

Minutes of the Meeting of Creditors held at the offices of Faber Inc., Suite 200, 17510 107 Avenue, Edmonton, Alberta on the 8th day of December 2011, at the hour of 10.00 o'clock in the forenoon.

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

The Trustee, 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 51(3) of the *Bankruptcy and Insolvency Act* ("Act").

Dan Faber of Faber Inc. performed the duties of secretary.

The following documents were tabled:

1. Proposal;
2. Statement of Affairs (or form thereof);
3. Cash Flow Statement;
4. Trustee's Report on the Cash Flow Statement;
5. Insolvent Person's Report on the Cash Flow Statement;
6. Certificate of Appointment;
7. Trustee's Written Report to the Creditors;
8. Notice to Creditors of the Proposal and Meeting of Creditors;
9. Notice to Insolvent Person of Meeting of Creditors; and
10. Trustee's Affidavit of Mailing.

QUORUM

There having been due notice and a quorum of creditors represented, the meeting was convened.

CALCULATING THE VOTES OF CREDITORS AT THE MEETING

The chairperson advised that pursuant to Section 115 of the Act all questions at the Meeting of Creditors, with the exception of voting for the approval of the Division I Proposal, 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 THE MEETING

The Chairperson explained that the purpose of the Meeting of Creditors is to:

- i) consider the Division I Proposal and the financial affairs of the Insolvent Person;
- ii) vote on the Division I Proposal pursuant to Section 53, unless an adjournment is requested by ordinary resolution by the creditors pursuant to Section 52:
 - a) to enable a further appraisal and investigation of the affairs and property of the Insolvent Person to be made; or
 - b) for the examination under oath of the Insolvent Person or of such other person as may be believed to have knowledge of the affairs or the property of the Insolvent Person, and the testimony of the Insolvent Person or such other person, if transcribed, shall be placed before the adjourned Meeting or may be read in Court on the application for the approval of the Division I Proposal.
- iii) include such provisions or terms in the Division I Proposal, subject to the consent of the Insolvent Person, for the supervision of the affairs the Insolvent Person as the creditors may deem advisable pursuant to section 55.
- iv) appoint one or more, but not exceeding five inspectors of the Division I Proposal pursuant to section 56.

QUESTIONS ARISING FROM TRUSTEE'S REPORT

The chairperson read the Trustee's Report and thereafter the Meeting proceeded to questions from the creditors with respect to the Trustee's Report.

There were no questions from the creditors arising from the Trustee's Report.

GENERAL DISCUSSION PERTAINING TO THE AFFAIRS OF THE INSOLVENT PERSON

The Meeting proceeded to discussions pertaining to the affairs of the Insolvent Person.

There were no discussions with respect to the affairs of the Insolvent Person.

GENERAL DISCUSSION REGARDING TERMS OF THE PROPOSAL

The Meeting proceeded to discussions regarding the terms of the Division I Proposal.

The discussion is summarized as follows:

Canada Revenue Agency requires the source deductions to be paid within six (6) months following the Court approval of the Proposal.

The Insolvent Person will file an Amended Proposal which would provide monthly payments sufficient to pay the source deduction claim within six (6) months following the Court approval of the Proposal.

ADJOURNMENT OF THE MEETING FOR FURTHER APPRAISAL, INVESTIGATION OR EXAMINATION

The chairperson advised the Meeting that the creditors may, pursuant to Section 52 of the Act, request an adjournment of the Meeting by ordinary resolution to such time and place as may be fixed by the chairperson;

- i) to enable a further appraisal and investigation of the affairs and property of the Insolvent Person be made; or
- ii) for the examination under Oath of the Insolvent Person or of such other person as may be believed to have knowledge of the affairs or the property of the Insolvent Person.

The chairperson, where requested by the creditors, is to call for a motion to adjourn the Meeting for a further appraisal and investigation of the affairs and property of the Insolvent Person or for the investigation of the Insolvent Person.

Moved by Amy Force

That the meeting be adjourned to permit the Insolvent Person to formulate and file an Amended Proposal.

ADJOURNMENT

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

Moved by Amy Force

That the Meeting be adjourned.

Motion Carried, and the Meeting be adjourned at 9.30 o'clock in the forenoon until such further time that the Amended Proposal is filed.



Dan Faber, Chairperson

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: Pinnacle Im-Ex (Canada) Inc.
Attention: Haneef Gaffar
Via email: haneef@curryfix.com

Dec 8/11

Pinnacle IM-EX

ATTENDANCE LIST

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DAN FRANK

TRUSTEE

Brent Gustafson

proxy for F. Joseph

Harvee F. Crofford