

District of Alberta  
Division No.: 01-Edmonton  
Court No.: 24-1593455  
Estate No.: 24-1593455

**IN THE MATTER OF THE DIVISION I PROPOSAL OF  
SUNLITE ELECTRIC (ST. PAUL) LTD.**

**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 14<sup>th</sup> day of May 2013, at the hour of 11.00 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").

**QUORUM**

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

**GENERAL DISCUSSION**

Dan Faber provided an update to the Meeting. Jack Kindermann tried to sell properties in Arizona, tried to get contracts, tried to get funds from Germany. but nothing has materialized yet. The stakeholders have been updated by way of Minutes of the previous meetings of creditors. There are no further updates from the Trustee. Mr. Faber asked Mr. Kindermann to provide an update to the Meeting.

Mr. Kindermann provided the following update. He went to Phoenix, Arizona for 10 days as he had the buyer for one of his properties there. Unfortunately the sale did not go through. Mr. Kindermann received an offer on the house for the funds to come around September 1, 2013. The \$200,000 from Germany is definitely coming, but unfortunately there have been delays as Mr. Kindermann's brother passed away and his brother's wife was to sign an affidavit in order for the funds to be released. Mr. Kindermann estimates that it should take three (3) weeks. Mr. Kindermann further advised that the Insolvent Person signed contracts totaling approximately \$600,000, which he has brought to the Meeting. Mr. Kindermann is currently working with Ellis Don on an office building at Christina Lake which could be a \$4,000,000 electrical contract. Mr. Kindermann commented that if everything falls into place the Insolvent Person would be out of this financial difficulty.

Mr. Faber asked Mr. Kindermann to clarify whether he has the sale of the Arizona property.

Mr. Kindermann replied that the sale is pending to close on September 1 or 2, 2013.

Mr. Faber – so it is a tentative sale. How much funds would it bring into the Proposal?

Mr. Kindermann – the sale would bring between \$65,000 and \$68,000.

Mr. Faber – and that if the sale goes through, as it is pending approval of the financing for the other party.

Mr. Kindermann – yes.

Mr. Faber – is the money coming from Germany?

Mr. Kindermann – it will be coming, but I cannot give you the exact date. It should be within the next two months, for sure.

Mr. Faber – this has been going on for some time.

Mr. Kindermann – yes, but I was not aware that my deceased brother's wife must give the approval to release the money.

Mr. Faber – was she the beneficiary of your brother's estate?

Mr. Kindermann – that is correct. The inheritance was split into three parties.

Mr. Faber – would she give an approval?

Mr. Kindermann – she will give the approval, I talked to her personally. It has been dragging for a long time due to lawyers being involved.

Mr. Faber – and then you say you have contracts and you said you brought them here.

Mr. Kindermann – I have one here for \$220,000, two fire halls.

Mr. Faber – I just want to sight these.

Mr. Kindermann – and here is one for \$384,000.

Mr. Faber – you got contracts.

Mr. Kindermann – we are working on some more.

Mr. Faber – is there profit in these contracts?

Mr. Kindermann – between the three contracts the profit is approximately \$160,000.

Raj Patel, representing CRA, asked for clarification regarding the number of contracts, amount of funds expected to come from Germany, and the Arizona properties.

Mr. Kindermann – clarified this information for Mr. Patel, as discussed above.

Mr. Patel – what about the second property in Arizona.

Mr. Kindermann – it has not been put up for sale at this time.

Mr. Faber – clarified that the Arizona properties are owned by Mr. Kindermann personally.

Mr. Patel – I am questioning the source of funds. If these are personal funds / assets, why would they be used to fund a corporate Proposal?

Mr. Faber – clarified that if the Insolvent Person was put into bankruptcy, then CRA would likely be seeking to recover from Mr. Kindermann personally for the statutory director's liability. Hence CRA may not want the personal assets to be used to fund the corporate proposal.

Andrew Bazelevsky commented that ATB and CRA are the largest creditors and that ATB holds a personal guarantee of Mr. Kindermann. Should there be personal insolvency or bankruptcy both creditors may participate in those proceedings.

Mr. Faber asked the Meeting if there were any further questions which creditors may ask from Mr. Kindermann.

Judy Helmig, representing ATB, commented that the second Arizona property had been previously listed for sale, but now it is not?

Mr. Kindermann – I had to take it off the market. The real estate market is low in Phoenix and the net profit from this second property would only be between \$15,000 and \$20,000. I would like to mention that I have another contract pending for \$360,000. This contract should be signed before the end of the month. I would like to get myself out of this situation. ATB foreclosed on my building, it was tough, but I managed to rent back ½ of the building.

Mr. Faber – another concern CRA has is that GST filings and payments may not be up to date and the same may be true for the Source Deduction account. Where is that at?

Mr. Kindermann – there was not much action and I can bring the GST account up to date.

Mr. Faber – how many employees do you have?

Mr. Kindermann – right now I've got six employees.

Mr. Faber – and how many did you have a month ago?

Mr. Kindermann – I had two, but on a contract basis.

Mr. Faber – so now you have six. How can you expect CRA to accept the proposal, if no returns have been filed and you appear to be entering into the same problem as before?

Mr. Kindermann – I would like to get the Trustee out to St. Paul to help straighten out the books. I can definitely file and pay GST. There was almost no work and the amount owing would be small. I will have a progress claim at the end of June 2013 and GST I will definitely look after.

Mr. Faber – and source deductions are important as well.

Mr. Kindermann – I had no employees until now.

Mr. Patel – when was the last time that Sunlite had employees?

Mr. Kindermann – about a year ago, when it all started to collapse. In a meantime Sunlite had one or two persons on contract.

Mr. Faber – our understanding is that Sunlite had no employees up until now.

Mr. Patel – so the new employees are just to start up due to the new contracts?

Mr. Kindermann – yes.

Ms. Helmig – how are you funding the operations right now?

Mr. Kindermann – pretty much on cash. I am living on bread and water, just to get by.

Mr. Faber – didn't you have a couple of little maintenance contracts?

Mr. Kindermann – yes, that is what kept me living.

Mr. Faber – the problem is that the proposal commenced in March of 2012 and now it is May 2013, the creditors have given you at least 14 months.

Mr. Kindermann – thank you very much, but these things take time.

Mr. Patel – what are the addresses of the two Arizona properties?

Mr. Faber – they were disclosed in the previous meetings minutes.

Mr. Patel – did you ever own a third property down there?

Mr. Kindermann – no.

Mr. Patel – you did not?

Mr. Kindermann – I had a business there, I have been in Phoenix since 1976. I had a shopping center, but that was all sold some time ago.

Mr. Patel – ok. One more question – have you ever been to see a Trustee in the United States?

Mr. Kindermann – yes.

Mr. Patel – what was that regarding?

Mr. Kindermann – it was regarding one of my properties, which they wanted to foreclose upon. Everything was fine – the Trustee solved the problem.

Mr. Patel – have you ever been involved in the Chapter 13 bankruptcy proceedings in the United States.

Mr. Kindermann – yes, on that one house.

Mr. Patel – do you know the approximate date of that bankruptcy?

Mr. Kindermann – about a year ago.

Mr. Patel – so it happened since the time of filing of a proposal?

Mr. Kindermann – yes.

Mr. Faber – well, that is interesting.

Mr. Patel – it is.

Mr. Faber – what does that mean about the two Arizona Properties?

Mr. Kindermann – it has been solved now.

Mr. Patel – getting back to my original question, was there more properties?

Mr. Kindermann – no, not since 1990.

Mr. Patel – is there any further information that you would like to volunteer before I ask any more questions?

Mr. Kindermann – I need more time.

Mr. Patel – it appears that there were no development subsequent to the last meeting of creditors.

Mr. Faber – correct, except that now Sunlite got contracts and there is proof.

Mr. Faber – do you have any other debts in the United States?

Mr. Kindermann – no only mortgages on Arizona Properties. I could not make payments on one property and had to see a Trustee. Now it all has been resolved.

Mr. Faber – do you have the right to the second property in Arizona?

Mr. Kindermann – yes, I have the right.

Mr. Faber – how can you have the right if it went into a foreclosure?

Mr. Kindermann – it is not being foreclosed upon anymore. I borrowed some money from a friend of mine and paid up the arrears.

Mr. Patel – do you recall the name of the Trustee?

Mr. Kindermann – no, like I said I went to a lawyer, and then he went to the Trustee. That is the way it works down there.

Mr. Patel – asked Mr. Faber to possibly clarify Chapter 13 proceedings.

Mr. Faber – I have to look it up. I can't clarify it.

Ms. Helmig – what house was involved in the Chapter 13 proceedings.

Mr. Kindermann – the one that is now listed for sale, located at Bounavista, Surprise, Arizona.

Mr. Patel – regarding the GST amount owing on the post proposal period, would you know how much that number be approximately?

Mr. Kindermann - \$5,000 total GST.

Mr. Patel – Mr. Bazelevsky has indicated that there was a personal guarantee given to ATB. What is that personal guarantee relates to?

Mr. Kindermann – personal guarantee on all debt owed to ATB.

Ms. Helmig – the personal guarantee from Mr. Kindermann is a security for the debt owed by Sunlite. ATB takes personal guarantees from the owners of the limited companies.

Mr. Patel – please thank you all for giving me the opportunity to get on board here. This is the end of my questions.

#### **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.

There was no motion made by the creditors for the adjournment of the Meeting or any motions being made by the creditors for an appraisal, investigation or an examination of the Insolvent Person.

#### **AMENDMENT(S) TO PROPOSAL OR FOR THE SUPERVISION OF THE INSOLVENT PERSON'S AFFAIRS**

The chairperson advised the Meeting that pursuant to Section 55 of the Act, the creditors, with the consent of the Insolvent Person, may include such provisions or terms in the Division I Proposal with respect to the supervision of the affairs of the Insolvent Person, as they may deem advisable. Furthermore, the creditors may prior to voting for the acceptance of the Division I Proposal request that certain amendments be made to the Division I Proposal.

There were no motions made by the creditors for amendments to the terms of the Division I Proposal or any motions made in respect to any provisions or terms for the supervision of the Insolvent Person's affairs.

#### **ACCEPTANCE OF THE PROPOSAL**

The chairperson advised the meeting that pursuant to subsection 54(1)(d) of the Act, the Proposal shall be deemed to accepted by the creditors if, and only if, all the classes of unsecured creditors vote for the acceptance of the Proposal by a majority in number and two thirds (66.66%) in value of the unsecured creditors of each class present, personally or by proxy, at the meeting and voting on the resolution.

Furthermore, the chairperson advised the Meeting that pursuant to Subsection 54(1)(c) of the Act, the votes of the secured creditors do not count for the purpose of voting for the acceptance of the Division I Proposal, but are only relevant for the purpose of subsection 62(2) of the Act.

which provides that approval of the Division I Proposal is binding on the secured claims in respect of which the Division I Proposal was made and that were in classes in which the secured creditors voted for the acceptance of the Division I Proposal by a majority in number and two thirds (66.66%) in value of the secured creditors present, personally or by proxy, at the Meeting and voting on the resolution to accept the Division I Proposal.

## **UNSECURED CREDITORS**

The chairperson called for a motion from the unsecured creditors, voting all as one class to vote for the approval of the Division I Proposal.

Proven unsecured creditors representing a 57.14% majority in number with claims representing 88.66% in value voted **AGAINST** the approval of the proposal.

Attached hereto as Exhibit "B" is a schedule of the names of the proven unsecured creditors, the amount of each creditor's proven claim and the manner in which each unsecured creditor lodged its vote.

## **ADJOURNMENT**

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

Moved by Raj Patel

Seconded by Judy Helmig

That the Meeting be adjourned.

Motion Carried, and the Meeting be adjourned at 11.45 o'clock in the forenoon.

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Dan Faber, CA, CIRP, Trustee in Bankruptcy

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: Sunlite Electric (St. Paul) Ltd.  
c/o Jack Kindermann

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

Moved by Raj Patel

Seconded by Judy Helmig

That the Meeting be adjourned.

Motion Carried, and the Meeting be adjourned at 11.45 o'clock in the forenoon.



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Dan Faber, CA, CIRP, Trustee in Bankruptcy

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: Sunlite Electric (St. Paul) Ltd  
c/o Jack Kindermann



EXHIBIT "A"


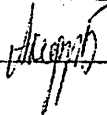
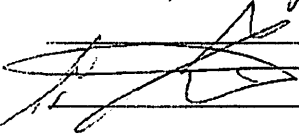
EXHIBIT 'A'

COURT NO.: 24-  
OUR FILE NO.:

IN THE MATTER OF THE DIVISION I PROPOSAL OF

Sunlite Electric (St. Paul) Ltd

MEETING OF CREDITORS  
ATTENDANCE LIST

Signature	Name (please print)	Representing	Amount of Claim
	Dan Faber	Trustee	
	Andrew Bajelersky	Trustee	
via teleconference	Raj Patel	CRA	
via teleconference	Judy Helwig	ATB	
	Jack Kundemann	Sunlite Electric	
	Battle & Gibson Co. Ltd.	- by voting letter	
	Electrical Wholesales Edmonton	- by voting letter	
	Simplex Grinnell	- by voting letter	

**Voting Summary**

Faber Inc.

Date of Report: 27/05/2013

SUNLITE ELECTRIC (ST. PAUL) LTD. OSB 24-1593455 File  
1593455-W

Edmonton - South

**EXHIBIT "B"**

Type of Liability: Unsecured

Generated By: ANDREW BAZELEVSKY

**Creditor Type**

Number of Creditor	Claim Value	For	Against	Abstained	Percent of Count	Percent of Amount	Status
<b>Unsecured</b>							
8	\$756,018.04	3	4	0			Rejected
<b>Total:</b>	<b>\$756,018.04</b>	<b>3</b>	<b>4</b>	<b>0</b>	<b>42.86%</b>	<b>11.34%</b>	<b>Rejected</b>

Creditor Name	Reference Number	Amount Admitted	For	Against	Abstained	Proxy	Method
ALBERTA FINANCE	200358737	\$0.00					
ATB Financial		\$384,176.67		\$384,176.67		✓	Proxy - In Person
Bartle & Gibson Co. Ltd.	120300370	\$14,499.45	\$14,499.45				Letter
Canada Revenue Agency	10507 1278 RC0001	\$74,987.28		\$74,987.28		✓	Proxy - In Person
Canada Revenue Agency	10507 1278 RT0001	\$81,378.20		\$81,378.20		✓	Proxy - In Person
Canada Revenue Agency	105071278R-0001	\$129,720.87		\$129,720.87		✓	Proxy - In Person
Electrical Wholesalers Edmonton	8453031	\$32,434.44	\$32,434.44				Letter
Simplex Grinnell		\$38,821.13	\$38,821.13				Letter
<b>Unsecured Creditors: 8</b>		<b>\$756,018.04</b>	<b>3@</b>	<b>\$85,755.02</b>	<b>4@</b>		<b>\$670,263.02</b>