

**IN THE MATTER OF THE DIVISION I PROPOSAL OF
WELLINGTON GIFT & GARDEN CENTRE 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 12th day of December 2013, 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;
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 Filing of a Proposal;
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.

The discussion pertaining to the affairs of the Insolvent Person is summarized as follows:

Harvey E. Clendenning, representing himself as well as proxy for Peter Wood, advised the Meeting that Barry Lastiwka, the principal officer of the Insolvent Person, appeared to have had extravagant living patterns, such as taking multiple international trips, dining at fancy restaurants, being a member of wine clubs. As an example Mr. Clendenning advised the Mr. Lastiwka dined at Alinea Restaurant in Chicago, Illinois in August 2013.

Dan Faber explained to the Meeting the effect of Article 25 of the Proposal.

Terry Warner, representing the Toronto Dominion Bank, enquired the name of the Auctioneer that the Trustee would use to liquidate the assets.

Mr. Faber advised the Meeting that the Auctioneer was Foothills Equipment Liquidation Co. Ltd.

Mr. Clendenning questioned Mr. Lastiwka's absence at the Meeting.

Mr. Faber advised the Meeting that Mr. Lastiwka did communicate with the Trustee that he was in training at his new job on the date set for the Meeting.

Thomas Gusa, representing Daleford Farms Ltd., enquired from the Trustee as to why the Proposal option would yield a better recovery to the creditors as opposed to a bankruptcy alternative.

Mr. Faber responded that the Trustee's costs in a bankruptcy would be higher, but essentially the outcome of both option would be almost similar.

Mr. Clendenning stated to the Meeting that Mr. Lastiwka understated the value of his personal effects and household goods on the Statement of Affairs in the personal bankruptcy proceedings.

Mr. Warner commented that it would be hard to determine who owns those personal items, Mr. Lastiwka or his wife.

Mr. Gusa enquired as to whether it is possible to adjourn the Meeting to a future date to allow the Trustee to complete a preference review.

Mr. Faber replied that an adjournment was a good idea, in light of the new information.

GENERAL DISCUSSION REGARDING TERMS OF THE PROPOSAL

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

There were no discussions from the creditors regarding the terms of the Division I 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 Mr. Gusa

Seconded by Mr. Clendenning

That the meeting be adjourned for a further investigation of the affairs and property of the Insolvent Person and to provide the Trustee with time to conduct a preference review.

Motion Carried

The Meeting of Creditors was adjourned to the 8th day of January 2014 at the hour of 10:00 o'clock in the forenoon at the offices of the Trustee located at Suite 200, 17510 – 107 Avenue, Edmonton, Alberta.



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: Wellington Gift & Garden Centre Ltd.
c/o Barry Lastiwka

