

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF VICEROY BUILDING SOLUTIONS LTD. ("VBS")
Minutes of the Reconvened First Meeting of Creditors**

Estate Name: Viceroy Building Solutions Ltd.

Estate No.: 11-2004166

Date: January 19, 2016

Time: 11:00 a.m.

Location: 550 Burrard St, Vancouver, BC V6C 0A3

Official Receiver: Zaeed Buksh

Trustee: Craig Munro – FTI Consulting

Trustee's Solicitor: Vicki Tickle

Debtor Representative: Robert Hammell (by phone)

Debtor Representative & Solicitor: Katie Mak

Chairperson:

Zaeed Buksh, Official Receiver, Office of the Superintendent of Bankruptcy

Call To Order:

The meeting was brought to order by Zaeed Buksh, Chairperson, at 11:00 am.

The Chairperson advised that there was a quorum of creditors in attendance, and therefore the meeting was properly called and duly constituted.

The Chairperson introduced himself, Zaeed Buksh.

The Chairperson stated that the authority to chair a meeting called pursuant to Section 51 (1) is given in Section 51(3) of the Bankruptcy and Insolvency Act.

The Chairperson explained the agenda of the meeting:

- Question Period;
- Creditors' rights to adjourn for further investigation and examination; and
- Voting on proposal.

Question Period:

The Chairperson opened the floor to the Creditors for questions.

The following is a summary of the questions asked during the question period and the responses given:

- Creditor question: Why has the unsecured claim for Dean Mawer increased from \$17,504.47 on the December 9, 2015 VBS list to \$394,840.11 on the December 21, 2015 creditor mailing list? His claim now represents 16% or nearly one/sixth of the total amount owing to unsecured creditors of VBS and Mr. Mawer is the former Vice President of VBS. We only received this updated Creditor Mailing List on January 4, 2016 after the December 24, 2015 creditors meeting. This list is nowhere to be found on FTI's web site for Viceroy but Scott Gallon sent us a copy after we requested it.
 - To Trustee: Without seeing the lists you are referring to I believe the December 9 list you refer to is from the statement of affairs which represents the company's best estimate of creditor claims as of June 9, 2015, the date of the NOI filing. I believe the December 21 creditor list you are referring to is likely the listing of accepted claims. The reason for the increase in Dean Mawer's claim is likely due to severance and termination claims that were not included in Viceroy's initial estimate of the employee's claim.
- Creditor question: Why did Viceroy accept deposits for new orders when they knew they were insolvent and both manufacturing plants were shut down?
 - To Robert Hammell: I am not aware of a specific situation where this occurred.
- Creditor question: Why did Viceroy continue to demand next stage progress payments from customers in late January 2015 when it had failed to meet its company payroll and was insolvent? In our case this demand was entirely unwarranted as the progress on our project fell well short of the point where a further stage payment was required under our contract. We received a demand for payment of \$244,236.97 by February 4, 2015 and actually had the cheque made out but fortunately did not hand it over.
 - To Robert Hammell: There was a payment schedule based on the work progress that was supposed to have taken place on site.
- Creditor question: Why did Scott Plante ask for payment to be made out to Bratco Construction instead of VBS? It was explained that the funds would go to pay overdraft in the VBS account if the payment was made to VBS directly.
 - To Robert Hammell: I can't answer that.
- Creditor question: The Vice President of Wiston Building Materials Ltd., sent a letter to Mr. Joseph Kwok, dated February 20, 2015, in which he wrote "If there are any payments or creditors who are overdue for payment, we would ask you please provide them with this letter to indicate that our preliminary investigations have already been completed and that we are in the process of finalizing a purchase agreement. Once the agreement is in place we expect to inject equity that will clear existing liabilities and allow continued operations and growth of the 60 year history of Viceroy." This letter was

circulated to customers on February 24, 2015 by Mr. Roger Gourley, Construction Manager, Viceroy Homes Limited. Why was this earlier promise to honour the company's liabilities to VBL and VBS creditors not kept?

- To Joseph Kwok: This was an update on what the company was doing at the time; they were trying to keep creditors in the loop on what VBS was working on.
- Creditor question: I want the information on who was issuing invoices as if they have a professional designation I will make an official complaint as they breached the code of professional conduct.
 - To Trustee: The proposal trustee got involved in June 2015 and we have no means to comment on what happened prior to the NOI date. I recommend grouping together and directing these questions to independent legal counsel to determine what remedies you have against any directors and officers insurance or the directors themselves. There are no assets in VBS to go after so it's important to note that before commencing action you should make sure there are assets that can be realized on. From a purely commercial standpoint there is an offer on the table where as in a bankruptcy there would be no distribution to creditors.
 - To Vicki Tickle: I recommend discussing this with a lawyer as the trustee cannot comment or advise creditors on whether they would have claims or not, or whether any insurance proceeds would be available in respect of those claims..

No further questions were asked.

Voting:

The Chairperson explained that a group of creditors, through their legal counsel, had requested an adjournment to enable a further appraisal and investigation of the affairs and property of the debtor to be made in accordance with BIA Section 52.

The Chairperson noted that per BIA Section 52 - where the creditors by ordinary resolution at the meeting at which a proposal is being considered so require, the meeting shall be adjourned to such time and place as may be fixed by the chairperson.

The Chairperson called a vote on the general resolution to adjourn the meeting to March 9, 2016 at 11:00 a.m. to be held at the office of Fasken Martineau DuMoulin LLP, 2900- 550 Burrard St, Vancouver, BC V6C 0A3.

The motion was moved by Joan Wallwork, and seconded by Scott Gallon, proxy for Welk Electric. The vote in favour was unanimous.

Meeting was adjourned at approximately 11:25 a.m.



Zaeed Buksh

Official Receiver