

District of: Alberta  
Division No: 01-Edmonton  
Court No. 24-3157867  
Estate No. 24-3157867

**In the Matter of the Bankruptcy of  
AGFINITY INC.  
of the City of Stony Plain, in the Province of Alberta**

**MINUTES OF THE FIRST MEETING OF CREDITORS**

Minutes of the First Meeting of Creditors held via teleconference on the 16<sup>th</sup> day of December 2024 at 11:30 AM.

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

The Trustee, by its representative, Eric Sirrs, 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").

Dana Hankinson of MNP Ltd. performed the duties of Secretary.

The following documents were tabled:

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

**QUORUM**

The chairman 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 at 11.59 AM after completing confirmation of attendance.

**CALCULATING THE VOTES OF CREDITORS AT THE MEETING**

The chairman 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 chairman 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 Eric Sirrs, circulated the Trustee's written preliminary Report to the Meeting on the Trustee's case website at <https://mnpdebt.ca/en/corporate/corporate-engagements/agfinity-inc>. The Report was read to the creditors in attendance.

## **QUESTIONS ARISING FROM THE TRUSTEE'S REPORT**

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

There were no discussions or questions raised by the creditors with respect to the Trustee's Report.

## **GENERAL DISCUSSION AND QUESTIONS PERTAINING TO THE AFFAIRS OF THE BANKRUPT**

The chairman 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, which is summarized as follows:

Jerry Hatala: Are there any outstanding volumes of grain held by Agfinity Inc.?

Joseph Billett: There is no outstanding volumes of grain held by Agfinity Inc.

Creditor: Are the creditors able to review the last five (5) years of Agfinity Inc.'s financial data?

Trustee: To do this, creditors would need to obtain a court order authorizing the release of financial data going back five (5) years. The Trustee reviews the most recent 12 months of financial records prior to the date of insolvency for any transfers under value or preference payments.

Creditor: Who investigates the transfers under value or preference payments?

Trustee: As stated, the Trustee reviews the most recent 12 months of bank statements leading up to the insolvency date. Creditors can file a claim with the RCMP and/or make a formal complaint with the Office of the Superintendent of Bankruptcy and can also obtain legal counsel to pursue a court order authorizing the release of the Bankrupt's financial records to complete a more comprehensive review.

James Hamilton: I have spoken with a contact at the Canadian Grain Commission should other creditors wish to file a complaint against the Bankrupt. The contact information is:

Ross Warkentin

639-318-9629

[Ross.Warkentin@grainscanada.gc.ca](mailto:Ross.Warkentin@grainscanada.gc.ca)

Kelly Cook: Where did the \$5 million go? *This amount comes from Form 78 Statement of Affairs within the Notice to Creditors package where total liabilities amount to \$5,066,824.56.*

Joseph Billett: Agfinity Inc. has been struggling for over two (2) years due to various factors such as the recent drought, corn in the United States, and inflation. In 2023, Agfinity was still making payments to creditors on time; however, by harvest 2023, they were trading the lowest they had ever seen. For

most of 2024, the Bankrupt tried to get out of the financial hole by various methods including transportation of grain across the United States border, updating their software system, and hiring more employees to assist customers.

Carmen Harper: Why did Agfinity Inc. keep running knowing there were financial difficulties for years?

Joseph Billett: Agfinity Inc. was operating on a week-by-week basis. As of June 2024, the Company tried to trade most of the grain in stock to cover expenses.

James Hamilton: Have any related companies to Agfinity Inc. declared bankruptcy before?

Joseph Billett: No related companies have declared bankruptcy. In 2007 I personally declared bankruptcy.

Rick Dietz: I signed a contract in July 2024 and didn't receive any repayment. What happened to the \$5 million?

Trustee: *Clarifying Rick's question*: where did the losses or monies go?

Joseph Billett: Agfinity Inc. took ownership of grain in early 2022 and traded primarily feed grain. In 2024, the Company was trading human consumption grain but did not recover the losses from what I described earlier.

Rick Dietz: *Reiterating his question*: I entered into a Grain Purchase Contract in July 2024, not a brokerage.

Joseph Billett: At the time Agfinity Inc. and the creditor entered into a contract, the Company would have asked the seller if they were okay with a Grain Purchase Contract or a Broker's note.

Rick Dietz: That did not happen; there was no option.

Josh Wonsik: Does Agfinity Inc. or the shareholders have any offshore bank accounts?

Trustee: The Trustee is not aware of any offshore bank accounts. The Trustee would not have access to directors' personal bank accounts as we are the Trustee in the bankruptcy of Agfinity Inc.

Joseph Billett: No offshore bank accounts for Agfinity or us personally; Amy Billett and I are filing for personal insolvency.

Josh Wonsik: Is there a theft or fraud police investigation ongoing?

Trustee: There are no criminal investigations that the Trustee is aware of.

Joseph Billett: There are lawsuits against Amy Billett and I, personally, but no criminal charges.

Trustee: *Clarifying for the creditors*: There are civil claims against Agfinity Inc., Joseph Billett, and Amy Billett, but not criminal claims.

James Hamilton: How are Amy Billett and Joseph Billett creditors on Form 78 Statement of Affairs?

Trustee: The Bankrupt owed monies to the directors and shareholders. It is not uncommon for amounts to be owed from a company to its shareholders or Directors.

Camilla Cobb: Made a statement which included stating there were no offshore accounts, and she did not deal with the finances of the Bankrupt.

Lyle Elliott: What was the amount of salary that Joseph Billett and Amy Billett were being paid?

Joseph Billett: Approximately \$160,000-170,000 per year each.

Trustee: The accounting records support this; management salaries over the 12-month period prior to the bankruptcy totaled around \$350,000.

Creditor: How much more grain does Agfinity Inc. owe for that is not recorded in the financials?

Joseph Billett: Everything should be documented and accounted for.

Trustee: Creditors can file a claim and participate in the bankruptcy proceedings even if they were either (a) left off the Creditor Listing or (b) the amount listed on the Creditor Listing is incorrect.

James Hamilton: Has Agfinity Inc. done any business with South Africa?

Joseph Billett: No, Agfinity Inc. has not conducted business with South Africa. Amy Billett and I took a personal vacation there in 2023.

Rick Dietz: Were any bonuses paid to employees or directors?

Joseph Billett: No bonuses were paid to employees or directors. Some amounts were paid out as Shareholder Loans over the last 12 months.

Trustee: The accounting records support that no bonuses were issued.

Creditor: When were the Shareholder Loans repaid and how much were they?

Trustee: We are still reviewing the 12 months of bank statements leading up to the insolvency event; however, the three (3) months preceding the bankruptcy do not show any Shareholder Loan repayments.

Joseph Billett: The Shareholder Loan repayments were not significant.

Creditor: Please clarify what "not significant" means and when were the Shareholder Loans repaid?

Joseph Billett: In 2024.

Creditor: Agfinity Inc. paid the two directors \$160,000-170,000 salaries and repaid Shareholder Loans to service personal debts while owing a substantial amount of money to creditors?

Joseph Billett: Amy Billett and I were servicing personal debts that we took out to support the business a few years ago.

Creditor: Do you have any regrets?

Joseph Billett: Yes, there are regrets with how Agfinity Inc. was operated.

Creditor: As Trustee, you review the last 12 months of Agfinity Inc.'s financial records. When does a director's salary become overvalued (i.e., too large) that it becomes a preference payment?

Trustee: *Explains the nature of a preference payment.* If the Trustee deems that a preferential payment occurred while reviewing the last 12 months of Company financial records, and a court order determines the monies must be repaid, the directors would be accountable to repay the Bankrupt estate. If the director(s) are claiming personal insolvency, there would theoretically be no monies for the Bankrupt estate to capitalize on. Determining what is a reasonable salary for management would be challenging unless it was incredibly high.

Creditor: You had said that Agfinity was originally told that it was not required to be licensed by the Canadian Grain Commission?

Joseph Billett: Correct. Agfinity Inc. held discussions with the Canadian Grain Commission in January 2024. The Company was trading the grain on hand with the remaining grain being feed grain.

Creditor: How recently was Agfinity told that it needed to be licensed?

Joseph Billett: Within a couple of weeks of Agfinity ceasing operations.

Terry O'Hanson: We signed a contract in March 2024 for #2 grain which would not be feed grain.

Joseph Billett: Some contracts were tradable grain and not Broker notes.

Rick Dietz: Agfinity Inc. was in trouble since 2022. Why does the Trustee only review 12 months of bank statements?

Trustee: The bankruptcy Trustee typically reviews the last 12 months of financial records leading up to the date of insolvency to review for potential recoveries to the bankrupt estate. The Trustee does not conduct a forensic audit as it is not within the scope of a corporate bankruptcy to do so.

Carmen Harper: Is the Office of the Superintendent of Bankruptcy (OSB) able to review Agfinity Inc.'s financial records further back than 12 months?

Trustee: If a complaint is filed by a creditor with the OSB, they will review it, but they would not conduct a forensic audit directly themselves.

Rick Dietz: Did you, Joseph Billett, renovate your house in the last few years?

Joseph Billett: Yes, we have renovated our house.

Terry O'Hanson: Can you, Joseph Billett, please advise what the renovation costs were on your personal residence?

Joseph Billett: No.

Trustee: As a reminder, this First Meeting of Creditors is for Agfinity Inc., not Joseph and Amy Billett.

Creditor: Have the shareholders rebranded to Grain Gateway Canada?

Carmen Harper: Grain Gateway Canada does not have financial backing from Joseph Billett. We are starting a new company that is not affiliated with Agfinity Inc. and Joseph Billett.

Camilla Cobb: Carmen Harper, Coco Dougherty, and I are not affiliated with Agfinity Inc.

Creditor: Why was Agfinity Inc.'s logo on Grain Gateway Canada's website?

Trustee: As a reminder, this First Meeting of Creditors is related to Agfinity Inc. and not Grain Gateway Canada or other companies.

Creditor: Is the First Meeting of Creditors being recorded?

Trustee: No, but the Trustee will make the meeting minutes available on their case website.

## **MOTION FOR THE APPOINTMENT OF TRUSTEE**

The chairman advised the Meeting that the creditors may:

- a) affirm the appointment of MNP Ltd. 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 MNP Ltd. pursuant to Section 14 of the Act and for that purpose the creditors vote shall be determined by special resolution.

The chairman called for a motion for the affirmation of the appointment of MNP Ltd. as Trustee of the Estate of the Bankrupt.

Moved by Jerry Hatala

That the appointment of MNP Ltd. as Trustee of the Bankrupt Estate be affirmed.

Motion Carried

## **MOTION FOR THE APPOINTMENT OF INSPECTORS**

The chairman 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 chairman 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 chairman 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 with respect to the administration of the Bankrupt Estate or the realization of assets, which is summarized as follows:

Trustee: Based on the discussion today, the Trustee will provide a summary of financial analysis and will make it available on their case website for creditors to view.

Terry O'Hanson: Does the Trustee know of anything that should be sent to a regulatory body, such as the OSB?

Trustee: Not at this time, however, we have not yet completed our review of the financial records.

Creditor: Can the Trustee file a claim for fraud?

Trustee: Creditors can file a claim with the OSB or the RCMP regarding fraud on your own or as a group.

Creditor: What is the process of requesting a forensic audit?

Trustee: A creditor would need to acquire legal counsel and go to court to obtain a Court Order for the release of the required financial documents. Then a forensic accountant would need to be hired by the creditor(s) to conduct the forensic audit.

Creditor: How many directors did Agfinity Inc. have?

Trustee: The Trustee pulled a Corporate Search and the only directors of Agfinity Inc. were Joseph and Amy Billett.

Creditor: The directors of Agfinity will have personal liabilities regarding the source deductions?

Trustee: That is correct, there would be Director liabilities for unpaid payroll source deductions and unpaid wages.

Terry O'Hanson: How many shareholders were there?

Trustee: Two (2); Joseph and Amy Billett.

Creditor: Where can creditors find the summary of financial analysis, when available?

Trustee: On the Trustee's case website which can be found at <https://mnpdebt.ca/en/corporate/corporate-engagements/agfinity-inc>.

The Creditors did not provide the Trustee with any directions with respect to the administration of the estate.

## **ADJOURNMENT**

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

Moved by Dave Gibbs

That the First Meeting of Creditors be adjourned.

Motion Carried and the Meeting adjourned at 1:17 PM.



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Eric Sirrs, Chairperson

## EXHIBIT "A"

ESTATE NO: 24-3157867

**ATTENDANCE REGISTER**

**IN THE MATTER OF THE BANKRUPTCY OF  
AGFINITY INC.**

**HELD BY TELECONFERENCE**

|  |                  |                          |
|--|------------------|--------------------------|
| <b>Date of Meeting:</b><br>December 16, 2024, at 11:30 AM MST                      |                  |                          |
| <b>Trustee:</b><br>Eric Sirrs, Licensed Insolvency Trustee, MNP Ltd., by telephone |                  |                          |
| <b>Chair:</b><br>Eric Sirrs, Licensed Insolvency Trustee, MNP Ltd., by telephone   |                  |                          |
| <b>Debtor:</b><br>Joseph Billet, Director of Agfinity Inc., by telephone           |                  |                          |
| <b>Name of Creditor</b>  | <b>Signature</b> | <b>Claim Amount (\$)</b> |
| Taylor for Vi-Dale Farms   | By telephone     | NIL                      |
| Cam Crosswell  | By telephone     | NIL                      |
| Randy Henning  | By telephone     | 10,869.62                |
| Camilla Cobb   | By telephone     | NIL                      |
| Larry Hewko  | By telephone     | NIL                      |
| Neal Roth  | By telephone     | 51,333.80                |
| Alex Peters for Portiek Ventures Ltd.  | By telephone     | 71,697.32                |
| Ken Strap  | By telephone     | 117,769.34               |
| Tamara Konschuh for 4 Diamond Enterprises Ltd.                                     | By telephone     | 58,947.49                |
| Coco Dougherty   | By telephone     | NIL                      |
| Connie Wlos for Tanner Wlos  | By telephone     | 16,840.43                |
| Donna Dunning  | By telephone     | NIL                      |

|   |              |           |
|---|--------------|-----------|
| Kenneth Hillgardner for Hillgardner Farms | By telephone | 69,546.20 |
| Brett Kitz                                | By telephone | 68,966.18 |
| Josh Wonsik                               | By telephone | 12,359.42 |
| Blair Ziegler for Ziegler Farms Inc.      | By telephone | 26,270.45 |
| Michel LePage                             | By telephone | 51,064.95 |
| Dwayne Pente                              | By telephone | 10,599.25 |
| Beaverlodge Seed Farm                     | By telephone | NIL       |
| Jerry Hatala                              | By telephone | 20,134.14 |
| Terry Johannson for Johannson Farms       | By telephone | 22,682.58 |
| James Hamilton                            | By telephone | NIL       |
| Brady Valgardson for HBV Farms Ltd.       | By telephone | 27,076.60 |
| Kelly Cook                                | By telephone | 24,158.07 |
| Scott Metzinger for STM Farms Ltd.        | By telephone | 50,971.60 |
| Carmen Rausch-Harper                      | By telephone | NIL       |
| Lyle Elliot                               | By telephone | 40,827.82 |
| Harry Grasen                              | By telephone | NIL       |
| Hayden Kids                               | By telephone | NIL       |
| Peters                                    | By telephone | NIL       |
| Paul Stoll                                | By telephone | NIL       |
| Dendin Hill                               | By telephone | NIL       |
| Layley Mewow                              | By telephone | NIL       |
| Wayne L.                                  | By telephone | NIL       |
| Darren Pattelal                           | By telephone | NIL       |
| Pence                                     | By telephone | NIL       |



|  |              |           |
|--|--------------|-----------|
| Mesner                                       | By telephone | NIL       |
| Raymond                                      | By telephone | NIL       |
| Daryll                                       | By telephone | NIL       |
| Rick Dietz                                   | By telephone | 96,425.64 |
| Joel Duggan for Joel Duggan Enterprises Ltd. | By telephone | 51,933.80 |
| Mike Hall                                    | By telephone | NIL       |
| Phone number ending in 7338                  | By telephone | NIL       |
| Phone number ending in 1057                  | By telephone | NIL       |
| Phone number ending in 0798                  | By telephone | NIL       |
| Phone number ending in 7079                  | By telephone | NIL       |
| Phone number ending in 4718                  | By telephone | NIL       |
| Phone number ending in 0172                  | By telephone | NIL       |
| Phone number ending in 3170                  | By telephone | NIL       |