

District of Alberta
Division No.: Calgary
Estate No: 24-2677331
Court No: 24-2677331

**IN THE MATTER OF THE BANKRUPTCY OF
TLICHO LANDTRAN TRANSPORT LTD.**

MINUTES OF THE FIRST MEETING OF CREDITORS

DATE: October 20, 2020
TIME: 10:30 AM
LOCATION: Zoom Call
CHAIRMAN: Vanessa Allen, Trustee
SECRETARY: Andres Palacios
ATTENDANCE: Per the Attached List

Due to the Covid-19 pandemic, the First Meeting of Creditors was held by Zoom (the "Zoom Call"). The process to allow creditors to attend the Zoom Call was as follows:

- Details of the Zoom Call were included in the Notice to Creditors dated October 6, 2020;
- Any creditors who advised the Trustee of their intention to attend were provided with the details of the Zoom Call; and
- The Trustee's Preliminary Report was provided to anyone requesting a written copy via email.

AUTHORITY AND CALL TO ORDER

Vanessa Allen of MNP Ltd., Trustee, acted as Chairman under the authority of section 105 (1) of the *Bankruptcy and Insolvency Act*.

Andres Palacios of MNP Ltd. acted as Secretary.

PURPOSE OF MEETING

The purpose of the meeting as set out in section 102(5) of the *Bankruptcy and Insolvency Act* was as follows:

- to consider the affairs of the bankrupt,
- to affirm the appointment of the Trustee or to substitute another in its place,
- to appoint Inspectors, and
- to give such directions to the Trustee as the creditors may see fit with reference to the administration of the bankrupt estate.

DOCUMENTS TO TABLE

The Chairman tabled the following documents:

- Assignment for the General Benefit of Creditors
- Certificate of Appointment of Trustee
- Statement of Affairs

- Trustee's Preliminary Report
- Notice to Creditors of Bankruptcy and First Meeting of Creditors
- Proof of Publication in Local Newspaper
- Trustee's Affidavit of Mailing

QUORUM

A quorum of creditors was not present at the meeting. Pursuant to section 106(2) of the *Bankruptcy and Insolvency Act*, as there was no quorum:

- The appointment of the Trustee was deemed to be affirmed; and
- The chair adjourned the meeting *sine die* at 10:41 A.M.

Dated at Calgary, Alberta this 20th of October of 2020.



Vanessa Allen, B. Comm, CIRP, LIT
Chairman

Enclosures:

- Trustee's Preliminary Report
- Attendance List

District of Alberta

Division No. Edmonton

Estate No. 24-2677331, 24-116138 and 24-116139

**IN THE MATTER OF THE BANKRUPTCIES OF
TlicHO LANDTRAN TRANSPORT LTD., 1456982 ALBERTA LTD. AND VENTURES WEST
TRANSPORTATION LIMITED PARTNERSHIP**

TRUSTEE'S PRELIMINARY REPORT

BACKGROUND

1. On November 29, 2019, an Initial Order was granted by the Court of Queen's Bench of Alberta under the *Companies' Creditors Arrangement Act, R.S.C. 1985 c. C-36, as amended* (the "CCAA") in respect of Tlicho Landtran Transport Ltd. ("Tlicho Landtran"), 1456982 Alberta Ltd. ("1456982"), 1456998 Alberta Ltd. ("1456998") and Ventures West Transport Limited Partnership ("Ventures West", collectively, the "Companies"). 1456998 is the general partner and 1456982 is the limited partner of Ventures West. MNP Ltd. was appointed as Monitor (the "Monitor") in the CCAA proceedings.
2. The Initial Order was granted pursuant to an application by Tlicho Investment Corporation ("TIC"). TIC was a creditor of Tlicho Landtran, 1456982 and Ventures West. TIC was also the ultimate parent company of Tlicho Landtran and the majority shareholder of each of 1456998 and 1456982.
3. Complete information on the CCAA proceedings can be accessed on the Monitor's website at www.mnpdebt.ca/ventures.
4. Pursuant to an Order granted on September 9, 2020, the Court approved the Monitor making voluntary assignments in bankruptcy for the Companies pursuant to Section 49 of the *Bankruptcy and Insolvency Act*. Assignments in bankruptcy for Tlicho Landtran, 1456982 and Ventures West were lodged with the Official Receiver on October 2, 2020. No assignment was lodged for 1456998 as that company does not have any creditors or assets.

CCAA PROCEEDINGS

5. As at the date of this report, the CCAA proceedings had been completed, subject to the receipt of a final payment from IronPlanet Canada Ltd. related to the auction of a trailer owned by the Companies. Following receipt of that payment, the Monitor will be filing a certificate with the Court terminating the CCAA proceedings and discharging the Monitor.

ASSETS

GST Refund

7. The Companies' assets were realized in the CCAA proceedings with the exception of a pre-filing GST refund that may result from an outstanding pre-filing notice of objection for GST for Ventures West (the "Pre-Filing Objection"). The Pre-Filing Objection is currently being considered by CRA's Appeals Division and could result in a refund of approximately \$202,000 being paid to Ventures West.

Distribution Pool

8. As set out in the Sixth Report of the Monitor dated September 2, 2020, the Monitor anticipated that there would be between \$1.6 million and \$1.9 million remaining in the CCAA proceedings (the "CCAA Pool") following payment of the Companies' primary secured creditor, Canadian Imperial Bank of Commerce ("CIBC") and other secured and priority claims. TIC had various claims against the CCAA Pool including the following:
 - a. An approximately \$1.5 million subrogation claim based on payments made to CIBC by TIC and its various subsidiaries during the CCAA proceedings for indebtedness that related to the Companies; and
 - b. Unsecured claims by TIC totaling approximately \$42.7 million and by various TIC subsidiaries totaling approximately \$788,900 (The claims referred to in 8.a. and b. will collectively be referred to as the "TIC Claims").
9. On September 9, 2020, the Court of Queen's Bench of Alberta approved a settlement (the "TIC Settlement") whereby a portion of the CCAA Pool would be paid to TIC for the TIC Claims and the balance would be paid to the bankrupt estates for distribution to the Companies' unsecured creditors.
10. The Monitor supported the TIC Settlement on the basis that it balanced the merits of the TIC Claims against the interests of other creditors, provided increased certainty to all creditors in terms of realizations and minimized the costs associated with the CCAA proceedings and the subsequent bankruptcy proceedings.
11. To date, \$1.0 million from the CCAA Pool has been paid to TIC pursuant to the TIC Settlement with the balance being held by the Monitor's legal counsel Cassels, Brock & Blackwell LLP.
12. It is currently estimated that there will be between \$700,000 and \$825,000 available to the bankrupt estates from the CCAA Pool (the "Bankruptcy Pool"). This amount net of the costs of administering the bankruptcy proceedings, will be available for distribution to the Companies' creditors.
13. The Bankruptcy Pool reflects net realizations from all the Companies. The Trustee is of the view that a substantive consolidation of the bankrupt estates is likely warranted here, which would result

in the bankrupt estates being administered as one and all creditors being treated as part of a single creditor pool. In the alternative, the Trustee will be making an application for Court approval of an allocation of the Bankruptcy Pool between the Companies.

SUMMARY OF CLAIMS

14. Below is a summary of the potential creditor claims reflected in each of the Companies' Statement of Affairs as of October 2, 2020 that were prepared based on the books and records for each of the Companies.

Tlich Landtran, 1456982 and Ventures West - Potential Creditor Claims

Description	Unsecured	Contingent	Total Claims
Tlich Landtran	\$ 358,741	\$ 250,000	608,741
1456982	839	2,500,000	2,500,839
Ventures West	4,147,768	-	4,147,768
Total	\$ 4,507,348	\$ 2,750,000	\$ 7,257,348

15. As of October 19, 2020, the Trustee had received the following proofs of claim:

Tlich Landtran, 1456982 and Ventures West - Claims Filed

Description	No. of Claims	Unsecured	Contingent	Total Claims Filed
Tlich Landtran	1	\$ -	\$ 250,000	\$ 250,000
1456982	-	-	-	-
Ventures West	6	53,608	-	53,608
Total	7	\$ 53,608	\$ 250,000	\$ 303,608

BOOKS AND RECORDS

16. As noted above, the Companies' operations were discontinued and all the Companies' assets, outside of any GST refund generated by the Pre-Filing Objection, were realized through the CCAA proceedings. As such, the Trustee will only be taking possession of selected books and records of the Companies, as required to complete the administration of the bankrupt estates.

REVIEW OF TRANSFERS AT UNDERVALUE

17. The Trustee is required to undertake a review for any transactions that occurred prior to the date of bankruptcy that would constitute a transfer at undervalue or a fraudulent preference as defined by subsections 95 and 96 of the *Bankruptcy and Insolvency Act*.

18. As noted above, the Companies have been the subject of CCAA proceedings since November 29, 2019. As such, their operations and cash-flow were reviewed by the Court-appointed Monitor during that time.

OTHER

19. Information on the Bankruptcy proceedings can be accessed on MNP's website at www.mnpdebt.ca/venturesbankruptcies.

Dated at Calgary, Alberta this 19th day of October 2020.

MNP Ltd.,

In its capacity as Trustee of the Estates of
Tlicho Landtran Transportation Ltd., 1456982 Alberta Ltd.
And Ventures West Transport Limited Partnership



Vanessa Allen, B. Comm, CIRP, LIT
Senior Vice-President

District of Alberta
Division No: 02-Calgary
Court No: 24-2677331
Estate No: 24-2677331

ATTENDANCE LIST FOR THE FIRST MEETING OF CREDITORS
IN THE MATTER OF THE BANKRUPTCY OF
TLICHO LANDTRAN TRANSPORT LTD.

DATE & TIME: Tuesday, October 20, 2020 at 10:30 AM

PLACE: Zoom Call

DEBTOR

NAME: TLICHO LANDTRAN TRANSPORT LTD.

REPRESENTATIVE: Mark Brajer

MNP LTD., TRUSTEE & REPRESENTATIVES

Vanessa Allen, Licensed Insolvency Trustee

Andres Palacios, Senior Consultant

<u>Attendee Name present via conference call</u>	<u>Representing</u>	<u>Amount of claim</u>
Total value of claims present via telephone conference		<u><u>\$0.00</u></u>