



District of Ontario
Division No. 11 - Kingston
Court No. 33-2823071
Estate No. 33-2823071

**IN THE MATTER OF THE DIVISION I PROPOSAL OF
TAZARMC Inc
MINUTES OF THE
FIRST MEETING OF CREDITORS**

DATE July 15, 2022

LOCATION Conference meeting via MS Teams
Or Via Telephone: 1-647-794-1236, Conference ID: 287 555 578

ATTENDANCE

Chairperson: Tara Woodfull, Official Receiver
Office of the Superintendent of Bankruptcy (OSB)

Secretary: Kelly McIntosh
Office of the Superintendent of Bankruptcy (OSB)

Licensed Insolvency
Trustee (LIT): Pritesh Patel
KPMG INC.

Moderator: Cameron Rodrigues
KPMG INC.

Debtor: Tim McMurter - Director of Tazarmc Inc.
Roya Azarm - Director of Tazarmc Inc.

Legal Counsel: Lisa Corne – Dickinson Wright
John Leslie - Dickinson Wright

Creditor(s): See attached Attendance List – Appendix A

CALL TO ORDER

The Chairperson called the meeting to order at 3:16 PM and introduced herself as well as the Secretary (an Official Receiver representing the Office of the Superintendent of Bankruptcy), the Licensed Insolvency Trustee (LIT), the Director of the Debtor Corporation, and the Legal Counsel for the Debtor Corporation. The Chairperson announced her authority to chair the meeting pursuant to section 51(3) of the *Bankruptcy and Insolvency Act* (BIA) and stated that any decision made by the Chairperson during the meeting may be appealed by the creditors to the court.

QUORUM

The Chairperson stated that prior to the meeting, she examined the trustee's proof of mailing for the Notice of the First Meeting of Creditors and confirmed that the Proof of Claim submitted by BDC Capital Inc., National Bank, Vulcraft, as well as several others, are valid. The Chairperson confirmed that a quorum was established and declared the meeting to be properly called and duly constituted.

PURPOSE OF THE MEETING

The Chairperson stated that in accordance with section 54 (1) of the Bankruptcy and Insolvency Act, the purpose of today's meeting was:

- To consider the proposal put forward by TAZARMC Inc. and resolve to accept or reject the proposal, or any amendment thereof; and,
- To appoint up to five Inspectors to the estate

REPORT OF THE OFFICIAL RECEIVER

The Chairperson advised that an examination of the debtor under section 161.(1) of the Bankruptcy and Insolvency Act has not taken place, however, an examination may be scheduled at any time during the proceeding if requested.

TRUSTEE'S REPORT TO THE CREDITORS

The Chairperson asked Pritesh Patel, the Licensed Insolvency Trustee (LIT), to speak to the Preliminary Report to the Creditors.

The LIT noted that the trustee's report had been previously circulated with the original proposal, proof of claim and voting letter package. The LIT provided an overview of the report and summary of the amended proposal.

From the report, the LIT spoke to the background of the company and that the company currently operates on leased premises in Trenton, Ontario. The company has 30 employees, none who are unionized. The company's liquidity challenges arose from, among other things, customers extending on payment terms, COVID-19 causing supply chain disruptions and increases to cost of steel and other materials, customers refusing to renegotiate contracts to account for material escalations, and bad debt expense due to disputes with certain customers. The company has since taken steps to reduce its workforce, discontinue unprofitable projects and reduce costs.

In terms of the conduct of the debtor, the LIT is not aware of any material payments to creditors on amounts owed prior to the filing date. The Notice of Intention filing has caused difficulties in collection on receivables, starting new projects and cash flow. As noted in the trustee's report, the LIT provided an update on a deposit in the amount of \$67,800 made to the account of an affiliate of the debtor. The Directors have also had to use personal credit cards to support the debtor's operations. The Directors have provided the LIT with copies of the bank statements for the affiliate's bank account to demonstrate any amounts deposited were used to pay post filing obligations of the debtor. As of the date of this meeting, the LIT is not aware of any amounts remaining in the affiliate's account that belong to the debtor however the LIT noted it had not conducted a review of the company's books and records with respect to preferences, settlements or transfers at undervalue.

The LIT discussed that the original proposal from May 20th, 2022 had been amended both this morning and this afternoon, and discussed the four voting classes.

The amendments to the original proposal include that National Bank's security agreement would remain the same, the name of BDC would be corrected to BDC Capital Inc., and an update to the section of the proposal detailing the discharge of claims against directors. The amount available to unsecured creditors was also amended to the lesser of \$1,015,000 and 35% of the proven claims of ordinary unsecured creditors. Further, the company has agreed to provide financial statements going forward for each fiscal year and pay to the trustee, for the benefit of the unsecured creditors, at least 50% of any cash in excess of \$500,000 on hand at fiscal year end, up to the maximum amount of the unsecured creditor fund.

The LIT discussed other key terms in the proposal such as the treatment of priority claims, preferred creditors, trustee fees and expenses, and the Superintendent levy. The LIT confirmed that he or KPMG Inc. had no previous business dealings with the company other than in connection with understanding various restructuring options, and that the LIT does not have any knowledge of any conflict of interest. The LIT stated that there has been numerous discussions with major creditors with respect to the Proposal and is of the understanding that substantially all material concerns have been addressed in the amendments to the Proposal. The LIT confirmed that as outlined in the trustee's report, the estimated realization in a bankruptcy or liquidation of the company's assets would likely not be sufficient to cover the priority and secured claims, which could mean zero recovery for the classes of equipment lessors and unsecured creditors. The LIT was of the view that the amended proposal provided the best opportunity for all creditors to maximize their potential recovery from the company's assets.

QUESTION AND DISCUSSION PERIOD

The LIT asked the creditors if there were any questions related to the trustee's report?

Jack Labib from Vulcraft asked about customers who had paid on time and what had happened to that money?

John Leslie of Dickinson Wright noted that the issue the creditor was bringing forward regarding paying customers had already been addressed and worked out with the client, and that this meeting was not the right time to review the history of the discussion.

There was further discussion regarding the length of the adjournment of the meeting, and if secured and unsecured creditors could vote at different times. There was also discussion between creditors about the changes to section 4.4 of the Proposal regarding claims against directors.

John Leslie of Dickinson Wright addressed that the change to section 4.4 was made in order to comply with the BIA legislation.

The Chairperson confirmed that there were not any further questions and made the decision for the adjournment of the meeting to be until 4:30 PM, at which time all creditors would vote on the proposal. Prior to the adjournment, the Chairperson reminded creditors that any decision made by the Chairperson could be appealed to the court.

The meeting was adjourned for a brief recess at 4:04 PM.

VOTE ON PROPOSAL

The meeting was called back to order at 4:41 PM.

Cameron Rodrigues of KPMG Inc provided a summary of the voting letters previously received and the Chairperson moved to vote on the amended proposal.

The final voting summary, including all votes via voting letter and in person at the meeting, is as follows:

Class A	Vote
National Bank, \$295,177.30 (secured)	Yes - Francois Landry
Class B	
BDC Capital Inc, \$510,549.96 (secured)	Yes - Margaret Bernat
Class C	
Concentra, \$49,656.71 (Equipment Lessor)	Yes - Brody Jacques
Class D	
AZZ Galvcast/ Galvanizing, \$30,028.05 (unsecured)	No - Voting Letter
Vulcraft, \$1,473,942.56 (unsecured)	Yes - Jack Labib
Trans Pro, \$5,706.50 (unsecured)	Yes - Voting Letter
Ideal Roofing, \$78,435.01 (unsecured)	Yes - Voting Letter
Toromont, \$85,335.41 (unsecured)	Yes - Joe Gigante
Alliance Custom Fabrication, \$20,532.10 (unsecured)	Yes - Voting Letter
ATCO Structures, \$8,624.18 (unsecured)	Yes - Mikel Tubio
All Canada Crane Rental, \$40,009.01 (unsecured)	Yes - Voting Letter
Canbear Equipment, \$37,081.20 (unsecured)	Yes - Voting Letter
National Bank, \$60,000 (unsecured)	Yes - Francois Landry

Voting Totals were:

Yes: 98% (\$1,749,665.97)

No: 2% (\$30,028.05)

The Chairperson deemed the proposal as accepted.

The LIT advised that Debtor's Counsel would proceed to apply for court approval and creditors would be duly notified of the court date as per the BIA. The trustee's website would also be updated with the progress.

APPOINTMENT OF INSPECTORS

The Chairperson called for nominations of inspectors.

There were three inspectors nominated.

Lyne Boucher from National Bank was nominated

Joe Gigante from Toromont was nominated.

Jack Labib from Vulcraft was nominated.

The chairperson asked for a motion to confirm the appointment of the three inspectors nominated.

Francois Landry proxy for National Bank made a motion to appoint the inspectors.

Jack Labib proxy for Toromont seconded the motion.

There were no objections and the Chairperson confirmed the appointment of the three inspectors to the estate.

The LIT advised he would be in touch with the inspectors regarding the date for the first meeting of inspectors.

FINAL QUESTIONS/INSTRUCTIONS FOR THE LIT

There were no further questions or instructions for the LIT as this point in the meeting.

ADJOURNMENT

The meeting was adjourned at 4:54 PM.



Date: July 25, 2022

Tara Woodfull
Chairperson / Official Receiver
Office of the Superintendent of Bankruptcy



ATTENDANCE SHEET | FEUILLE DE PRÉSENCE

Re / Sujet: Reconvened First Meeting of Creditors for the Proposal of TAZARMC Inc. Virtual Meeting Via MS Teams	File No. / N° de dossier: 33-2823071	Date: July 15, 2022 at 3:00 PM
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NO.	NAME (PRINT) NOM (IMPRIMER)	REPRESENTING REPRÉSENTANT	SIGNATURE	AMOUNT OF CLAIM MONTANT RÉCLAMÉ	REMARKS REMARQUES
1	Tara Woodfull	Office of the Superintendent of Bankruptcy (OSB)			Chairperson
2	Kelly McIntosh	OSB			Secretary
3	Pritesh Patel	KPMG INC			LIT
4	Cameron Rodrigues	KPMG INC			Moderator
5	Tim McMurter	Tazarmc Inc			Corporation Director
6	Roya Azarm	Tazarmc Inc			Corporation Director
7	Lisa Corne	Dickinson Wright			Legal Counsel for Debtor
8	John Leslie	Dickinson Wright			Legal Counsel for Debtor
9	Francois Landry	National Bank		295,177.30 Secured	
10	Jack Labib	Vulcraft		1,473,942.56 Unsecured	



NO.	NAME (PRINT) NOM (IMPRIMER)	REPRESENTING REPRÉSENTANT	SIGNATURE	AMOUNT OF CLAIM MONTANT RÉCLAMÉ	REMARKS REMARQUES
11	Joe Gigante	Toromont (Battlefield and Jobsite)		85,335.41 Unsecured	
12	Christopher Leblanc	Construction Demathieu Bard			Observing Only (Non Voting)
13	Philip Cho	Vulcraft			Legal Counsel for Vulcraft/Observe
14	Amanda Fisher	Blueshore Leasing			Observing Only (NonVoting)
15	Margaret Bernat	BDC Capital Inc		510,549.96 Secured	
16	Tony Van Klink	BDC Capital Inc			Legal Counsel for BDC Capital Inc
17	Mike Tubio	ATCO Structures		8,624.18 Unsecured	
18	Brody Jacques	Concentra		49,656.71 Unsecured	