

District of ONTARIO  
Division 9 - Toronto  
Court No. 31-2694356  
Estate No. 31-2694356

**In the Matter of the Bankruptcy of  
DEL EQUIPMENT INC.  
of the City of Toronto, in the Province of Ontario  
(Ordinary Administration)**

**Minutes of the First Meeting of Creditors (the "FMOC")**

**Date of Meeting:** January 8, 2021

**Time:** 11 am

**Location:** Virtual (Microsoft Teams)

**Chairperson:** Sheldon Title, MNP Ltd.

**Attendance:** Attendance sheets attached to the Minutes as Exhibit "A"

The Chairperson introduced the following attendees:

- Scott Guertin, Office of the Superintendent of Bankruptcy
- Paul Martin, Del Equipment Inc.
- Matthew Lem, MNP Ltd.

**Quorum:** The Chairperson examined the proofs of claim filed. Various creditors were present, either in person or proxy, so there was a quorum.

**Call to Order:** The Chairperson determined that the meeting was legally constituted and called the meeting to order.

The Chairperson tabled the following documents:

- Assignment
- Certificate of Appointment
- Statement of Affairs
- Affidavit of mailing (for the FMOC)
- Newspaper advertisement (for the FMOC)

The Chairperson advised the following:

- Pursuant to the authority of the *Bankruptcy and Insolvency Act* ("BIA"), he would be acting as Chairperson and any question or dispute arising at the FMOC would be decided by the Chairperson, and that any creditor may appeal the decision of the chairperson to court.

- The purpose of the FMOC was to consider the affairs of the bankrupt, to affirm the appointment of the trustee or substitute another in place thereof, to appoint inspectors, and for creditors to provide such directions to the trustee as they may see fit with reference to the administration of the estate.

### **Report to Creditors by Trustee**

The Chairperson delivered the Preliminary Report and copies were made available to all in attendance via the Trustee's website.

### **Question Period**

The representative for Laird Transportation noted from the Preliminary Report that the largest creditors identified by the Company were Diesel and Gin-Cor and its related entities, which as per the SOA total approximately \$9.96 million and questioned whether there would be funds available for unsecured creditors. The Chairperson advised that the Trustee has to a duty to determine whether each claim is provable, and if so, the extent each is provable. The Chairperson also responded by noting that to its knowledge the secured creditor claims had been satisfied prior to the bankruptcy and that Diesel's claim was unsecured. All claims determined to be unsecured claims will share in the distribution of funds on a prorated basis.

### **Voting**

There being no further questions, the Chairperson proceeded to the voting on the following resolutions:

1. Affirming the appointment of MNP Ltd. as trustee of the estate; and
2. Approving the slate of individuals volunteering to act as inspectors of the estate.

In advance of the vote, the trustee provided instructions and assistance on voting virtually at this meeting. In addition, the Chairperson advised the meeting the following about voting:

- The calculation of the votes would be by a majority vote on an ordinary resolution basis, where one dollar equals one vote.
- Before taking a vote, the Chairperson noted some of the restrictions which apply to voting. Per BIA s.109(6), a creditor who did not deal with the bankrupt at arm's length for the year before the bankruptcy, cannot have his vote count if it determines the outcome. The following parties are not allowed to vote for the Trustee's appointment nor for an inspector's appointment (except with permission of the court): officers, directors and employees of a bankrupt corporation or a wholly owned subsidiary corporation, per BIA s. 113(3)(b) and (c).

### **Resolution 1 - Affirming the Appointment of the Trustee**

The Trustee, using proxies provided by JLG Industries Inc. and Russell Metals Inc. made a motion to affirm the appointment of trustee. The motion carried unanimously

### **Resolution 2 - Appointment of Inspectors**

The Trustee briefly reviewed the Inspector duties, which include:

1. Supervising the administration where the trustee needs inspector approval.
2. Attending inspector meeting (in person or by phone).
3. Examining the accounts and establish bank balances.
4. Approving interim draws in respect of the Trustee's fees.
5. Approving the final receipts and disbursements.

Prior to the FMOC, the following individuals submitted a request to be appointed and serve as Inspector:

- Paul Lafontaine
- Bryan Fleming
- Sarah Blashe
- Paul Cudmore

Pursuant to section 116 of the BIA, up to five (5) Inspector may be appointed. The Chairperson asked if any other person would be interested in acting or whether there were any other nominations before we take it to a vote.

Paul Martin advised that he wished to act as an Inspector.

A question arose as to whether Paul Martin of Del is in a position to act as Inspector. The Chairperson advised that s. 116(2) of the BIA provides that "No person is eligible to be appointed or to act as an inspector who is a party to any contested action or proceedings by or against the estate of the bankrupt". This section would not render Paul Martin ineligible to act as an Inspector.

The Chairperson advised that Paul Lafontaine is with Gin-Cor, who as noted in the Preliminary Report, is involved in litigation with Del before the bankruptcy. The underlying payment dispute with Gin-Cor was resolved favourably, but the submissions on the costs award have been made to and remain with the Court to decide. Given this, the Trustee's position is that it does not object to Paul Lafontaine's appointment as Inspector, but if there is an issue relating to the cost award that arises, Paul Lafontaine will have to recuse himself or resign down the road.

Upon completion of this discussion, the matter proceeded to a vote on the appointment of the following slate of Inspectors:

1. Paul Lafontaine
2. Bryan Fleming
3. Sarah Blashe
4. Paul Cudmore
5. Paul Martin

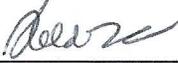
The Trustee, using proxies provided by JLG Industries Inc. and Russell Metals Inc. made a motion to nominate/appoint the above-noted slate of Inspectors. The motion carried unanimously:

**Directions to Trustee**

The Chairperson asked if there were any further issues that the creditors wanted addressed. No motions were made.

**Adjournment**

Motion to adjourn carried unanimously. The FMOC adjourned at 12:02 PM

  
\_\_\_\_\_  
Chairperson

January 11, 2021  
Date

**Estate of Del Equipment Inc.**  
**Attendance List - First Meeting of Creditors - Held via Video/Telephone Conference on January 8, 2021 at 11 AM (EST)**

	<b>Name</b>	<b>Representing</b>	<b>Value of Claim(s)</b>	<b>Attendance Method</b>
1	Sheldon Title	MNP Ltd, Trustee of the Estate	N/A	By Video Conference
2	Matthew Lem	MNP Ltd, Trustee of the Estate	N/A	By Video Conference
3	Paul Martin	Del Equipment Inc., the bankrupt	N/A	By Telephone Conference
4	Doug Lucky	Former CRO of Del Equipment Inc.	N/A	By Telephone Conference
5	Christopher Armstrong	Goodmans, legal counsel to Diesel Equipment Limited, et al.	N/A	By Video Conference
6	Andre Harmes	Goodmans, legal counsel to Diesel Equipment Limited, et al.	N/A	By Video Conference
7	Scott Guertin	Office of the Superintendent of Bankruptcy (Canada)	N/A	By Video Conference
8	Bryan Fleming	AUTO CRANE CO. & RAMSEY WINCH CO.	\$ 996,703.93	By Video Conference
9	Nathalie St-Pierre	BEAU-ROC	\$ 96,225.91	By Video Conference
10	David Callander	DIESEL EQUIPMENT LIMITED, HOLT INDUSTRIES, INC. & DEL HYDRAULICS	\$9,729,891.83	By Video Conference
11	Nick Merkley	DRIVE PRODUCTS INC	\$ 10,290.34	By Video Conference
12	Alexandre Gosselin	EVEREST EQUIPMENT CO	\$ 256,167.89	By Video Conference
13	Guy Boisvert	Former Employee	\$ 166.83	By Video Conference
14	Paul Biggar	Former Employee	\$ 124.34	By Telephone Conference
15	Sylvain Lalonde	Former Employee	\$ 1,913.60	By Video Conference
16	Charles Plourde	Former Employee	\$ 311.62	By Video Conference
17	Carlos A. Palacios	Former Employee	TBD	By Telephone Conference
18	Dawn Edmonds	Former Employee	TBD	By Telephone Conference
19	Paul LaFontaine	GIN-COR INDUSTRIES INC., 210 HARRY WALKERS HOLDING INC., DBIL HOLDINGS INC. & JC TRAILERS DESIGN & FABRICATION INC.	\$1,194,841.53	By Video Conference
20	Renzo Silveri	GIN-COR INDUSTRIES INC., 210 HARRY WALKERS HOLDING INC., DBIL HOLDINGS INC. & JC TRAILERS DESIGN & FABRICATION INC.	\$1,194,841.53	By Video Conference
21	Darlene McIntosh	GRANT THORNTON	\$ 67,709.60	By Telephone Conference
22	Nicole Bago	LAIRD TRANSPORTATION & LOGISTICS	\$ 26,811.85	By Video Conference
23	David Janzen	MAGNUM TRAILER & EQUIPMENT INC	\$ 5,616.45	By Video Conference
24	Darren Gallen	MARITIME INDUSTRIAL RUBBER	\$ 20,769.44	By Video Conference
25	Linda Gould	MEDAVIE BLUE CROSS	\$ 32,017.00	By Video Conference
26	Katherine Martire	PRECISION WASTE SYSTEMS LTD	\$ 7,404.89	By Video Conference
27	Kimberly Long	REPRODUX LIMITED	\$ 3,559.37	By Video Conference
28	Sarah Blashe	SWENSON SPREADER LLC	\$ 470,579.88	By Video Conference
29	Paul Cudmore	TEAM EAGLE LTD.	\$ 287,595.00	By Video Conference
30	Jennifer Kikkert	VISUALIZ MANAGEMENT CONSULTING INC.	\$ 8,625.00	By Telephone Conference
31	Matthew Bell	WESTERN TARPAULIN & CO.	\$ 8,162.50	By Video Conference

MNP Ltd. held eleven (11) proxies totaling \$472,804.11