

**IN THE MATTER OF THE BANKRUPTCY OF  
INTERNATIONAL HERBS (B.C.) LTD.**

Minutes of the First Meeting of Creditors of International Herbs (B.C.) Ltd. (the "Company") held at Bentall Centre Tower II, Charles Meeting Room, 11<sup>th</sup> Floor, 555 Burrard Street, Vancouver, British Columbia, on Friday, January 25<sup>th</sup> 2019, at 2:30 pm.

**PRESENT:** Sharon Chou, Office of the Superintendent of Bankruptcy, Chair  
Gordon Brown, The Bowra Group Inc., Licensed Insolvency Trustee  
Sofie Parker, The Bowra Group Inc., Estate Administrator, minutes taking  
Roisin Hayden, The Bowra Group Inc.,  
Milan Roy, Director of the Company

All others as listed in the attendance list attached

Sharon Chou called the meeting to order at 2:30 pm and announced that she was acting as Chairperson of the meeting under the authority of Section 105(1) of the *Bankruptcy and Insolvency Act*.

The Chairperson declared the meeting properly called and, a quorum being present in person and by proxy, duly constituted.

The Chairperson explained the purpose of the meeting set out in Section 102(5) of the *Bankruptcy and Insolvency Act* and introduced the parties present to the meeting.

The Chairperson tabled the following documents:

- Certificate of Appointment;
- Affidavit of mailing;
- Proof of advertisement;
- Statement of affairs;
- Trustee's preliminary report; and
- Claims Register

As part of considering the affairs of the bankrupt, Gordon Brown delivered the Trustee's preliminary report, including the background of the Company and the factors that led to the Company filing an assignment in bankruptcy. He also disclosed the retainer of \$25,000.00 received from the Company.

The Chairperson opened it up to the creditors to ask any questions of the Trustee with respect to the Trustee's preliminary report or questions with respect to the affairs of the Company.

Questions and responses included:

1. Harsh Grewal representing HSBA Employment Services noted there was a misprint on page 4 of the Trustee's preliminary report. Gordon Brown acknowledged this error and clarified the numbers.
2. Questions regarding on how the value of the assets had been evaluated. Gordon Brown advised that the cash and accounts receivables were amounts they had received from the Company. The inventory and property, plant and equipment initial evaluation had been given by the Company, however Gordon Brown confirmed an independent appraisal was being carried out.
3. A discussion ensued regarding Lyra's investment into the Company and the relationship between the two parties. Milan Roy explained Lyra's history with the Company and the particulars of their security.
4. A second discussion ensued regarding the status of accounts receivables and inventory. Milan Roy explained how the Company had managed to stay within its margins up until late December 2018. Gordon Brown informed the creditors that the majority of the Company receivables went into the BMO account via direct deposit and so were easy to trace by both the Trustee and BMO.
5. Questions regarding the ownership of DS Brar. Milan Roy confirmed that DS Brar had owned the Company up until 2015 when they sold shares to Lyra.
6. In 2015 the Company owned the land property in Surrey where it operated. The land was sold to 2 numbered company (1059568 B.C. Ltd. and 1075084 B.C. Ltd.). It was questioned whether the land was sold at fair market value. Gordon Brown noted it could be looked into further.

The Chairperson called for a motion on a resolution affirming the appointment of The Bowra Group Inc. as Trustee.

Moved by Maggie Ko and Seconded by Gail Ryley.

**IT WAS UNANIMOUSLY RESOLVED THAT:** The Bowra Group Inc. is affirmed in its appointment as Trustee.

**- CARRIED -**

The Chairperson commented on the appointment of inspectors pursuant to Section 116(1) the creditors may appoint up to five inspectors for the estate.

The Chairperson called for nominations for inspectors. The following parties put their names forward to be an inspector:

- Maggie Ko
- David Baum

The creditors questioned Maggie Ko of Lyra being appointed an inspector as Lyra is a secured creditor. Sharon Chou stated as per Section 116 (2) of the *Bankruptcy and Insolvency Act* the only person not eligible to be appointed or to act as an inspector is a person who is a party to any contested action or proceedings by or against the estate of the bankrupt.

The Chairperson called for a motion on a resolution appointing the above individuals as inspectors of the Estate.

Moved by David Baum and Seconded by Gail Ryley.

**IT WAS UNANIMOUSLY RESOLVED THAT:** Maggie Ko and David Baum be appointed as Inspectors.

**- CARRIED -**

Further questions from the creditors ensued including:

1. The creditors questioned the gross margins that were laid out in the Trustee's report. Gordon Brown confirmed these margins were correct.
2. David Baum questioned whether an independent investigation on the receivables and inventory could be carried out. Gordon Brown confirmed that the Trustee would be doing his own investigation of the books of the Company, however when it comes to an independent investigation the Trustee must look at the cost versus benefit of doing this investigation.
3. Gail Ryley asked if Lyra should have paid out the loan on the equipment when they purchased the Company. She said she was advised by Rick Brar that Lyra should have done so. Milan Roy answered that he is not sure why Rick Brar would have indicated that and he sees no reason why Lyra would have paid out the leases.



Adjournment:

There being no further business, the Chairperson called for a motion for the meeting to be adjourned.

Moved by Maggie Ko and Seconded by Gail Ryley.

The meeting was adjourned at 3:41 pm.



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Sharon Chou, Chairperson

Attachments:

- Attendance list