

2023

Hfx No. 45461
Estate No. 51 - 2939212

SUPREME COURT OF NOVA SCOTIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF ATLANTIC SEA CUCUMBER LTD.

BETWEEN:

Weihei Taiwei Haiyang Aquatic Food Co. Ltd

Applicant

and

msi Spergel Inc. in its capacity as bankruptcy
trustee of Atlantic Sea Cucumber Ltd.

Respondent

Solicitors' Affidavit of Gavin MacDonald

I make oath and give evidence as follows:

1. I am Gavin MacDonald, counsel for the Applicant, Weihei Taiwei Haiyang Aquatic Food Co. Ltd. ("WTH"), a judgment creditor of the bankrupt company, Atlantic Sea Cucumber Ltd. ("Atlantic Sea").
2. I have personal knowledge of the evidence sworn to in this affidavit except where otherwise stated to be based on information or belief.
3. I state, in this affidavit, the source of any information that is not based on my own personal knowledge, and I state my belief of the source.
4. Attached hereto as Exhibit "A" is a true copy of Form 31 – Proof of Claim, dated April 11, 2024, submitted on behalf of WTH.
5. Attached hereto as Exhibit "B" is a true copy of Form 31 – Proof of Claim, dated April 17, 2024, submitted on behalf of Atlantic Golden Age Holdings Inc. ("AGAH").
6. Attached hereto as Exhibit "C" is a true copy of the Trustee's Report to Creditors on Preliminary Administration, dated April 17, 2024.
7. Attached hereto as Exhibit "D" is a true copy of the Minutes of the First Meeting of Creditors, dated April 18, 2024.
8. Attached hereto as Exhibit "E" is a true copy of the Minutes of the First Meeting of Inspectors, dated April 18, 2024.

9. Attached hereto as Exhibit "F" is a true copy of an email dated May 8, 2024, from Mr. Santimaw, counsel to the Trustee, advising me that the Trustee accepted the proof of claim filed by AGAH as secured.
10. Attached hereto as Exhibit "G" is a true copy of an email exchange on May 28 – 29, 2024, between myself, Mr. Santimaw, and Mr. MacNeil regarding my instructions to challenge AGAH's proof of claim and security.
11. In response to the above email exchange at Exhibit "G," the Trustee provided me with a copy of the release letter sent to AGAH, dated May 8, 2024. A true copy of that letter is attached hereto as Exhibit "H."
12. Attached hereto at Exhibit "I" is a true copy of an email dated May 24, 2024, with attachments, from the Trustee in Bankruptcy, requesting an inspectors meeting to vote on a proposed sales process and attaching the draft Sale and Investment Solicitation Process ("SISP") documents.
13. Attached hereto at Exhibit "J" is a true copy of the minutes of the Second Meeting of Inspectors which was held on May 30, 2024.

Sworn to before in Halifax, Nova Scotia
on the 24th day of July 2024:



Signature of Authority

)
)
)
)
)
)
)



Gavin MacDonald

A. MEAGHAN KELLS
A Notary Public in and for the
Province of Nova Scotia

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Minutes of the Second Meeting of Inspectors, May 30, 2024	J

A

2023 Hfx No. 45461
This is Exhibit "A" referred to in
the affidavit of Gavin
MacDonald affirmed before me
on June 24, 2024



Signature

A. MEAGHAN KELS
A Barrister of the Supreme
Court of Nova Scotia

PROOF OF CLAIM

IN THE MATTER OF THE BANKRUPTCY OF **Atlantic Sea Cucumber Ltd.** (referred to in this form as "the debtor") and the claim of **Weihei Taiwei Haiyang Aquatic Food Co. Ltd.** (referred to in this form as the "Creditor"). All notices or correspondence regarding this claim to be forwarded to the creditor at the following address: c/o Cox & Palmer, 1500 – 1625 Grafton St., Halifax NS B3J 0E8 Fax: 902-431-3130; Email: gmacdonald@coxandpalmer.com; Attention: Gavin MacDonald.

I, Lv Lin, of Shandong Province, China.

Do hereby certify:

1. That I am the General Manager of the Creditor.
2. That I have knowledge of all circumstances connected with the claim referred to in this form.
3. That the debtor was, at the date of the bankruptcy, namely the 28th day of March, 2024, and still is indebted to the Creditor in the sum of \$1,744,282.49 as described in the statements attached hereto and marked "Schedule A", after deducting any counterclaims to which the debtor is entitled.
4. Check and complete appropriate category
 - (X) A. **Unsecured claim of \$1,744,282.49**

That in respect of the said debt, I do not hold any assets of the debtors as security and (Check appropriate description)

 - (i) () Regarding the amount of \$, I do not claim a right to a priority.
 - (ii) (X) Regarding the amount of \$5,000, I claim a right to a priority under section 136 of the Act.
 - () B. **Claim of lessor for disclaimer of a lease of \$_____.**

The creditor hereby makes a claim under subsection 65.2(4) of the Act, particulars of which are as follows:
 - () C. **Secured claim of \$_____.**

That in respect to this debt, I hold assets of the debtors valued at \$100,000.00 as security, particulars of which are as follows:
 - () D. **Claim by farmer, fisherman or aquaculturist of \$_____.**

The creditor hereby makes a claim under subsection 81.2(1) of the Act for the unpaid amount \$_____.
 - () E. **Claim by wage earner of \$_____.**
 - (i) That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$_____.
 - (ii) That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$_____.
 - () F. **Claim by employee for unpaid amount regarding pension plan of \$_____.**
 - (i) That I hereby make a claim under subsection 81.5 of the Act in the amount of \$_____.
 - (ii) That I hereby make a claim under subsection 81.6 of the Act in the amount of \$_____.

() G. Claim against director of \$_____.
The creditor hereby makes a claim under subsection 50(13) of the Act, particulars of which are as follows:

() H. Claim by a customer of a bankrupt securities firm of \$_____.
That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:

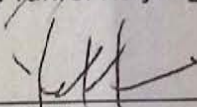
5. That to the best of my knowledge, the above-named Creditor is not related to the debtor within the meaning of section 4 of the Act.

6. That the following are the payments that I have received from and the credits that the creditor has allowed to the debtor within the three months (or, if the creditor and the debtors are related within the meaning of section 4 of the Act, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of section 2 of the Act. (Attach details of payments and credits): NONE.

(X) I request that a copy of the report filed by the Trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

DATED at Shandong Province, China this 11 day of April, 2024.

Welhai Taiwei Haiyang Aquatic Food Co.
Ltd.


Name: LvlLin
Title: General Manager

Notes: All references to "the Act" refer to the Bankruptcy and Insolvency Act.
If an affidavit or solemn declaration is attached, it must have been made before a person qualified to take affidavits or solemn declarations

WARNINGS: A Trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor. Subsection 201(1) of the Bankruptcy and Insolvency Act provides severe penalties for making any false claim, proof, declaration or statement of account.

Schedule "A"

Statement of Claim

Justice Coughlan's Order for Judgement in Hfx No. 507676	\$1,660,574.41
Interest at 5% from April 13, 2023 to March 28, 2024 (346 days * \$227.48 per diem)	\$78,708.08
Costs from the Court of Appeal decision in CA No. 525584	\$5,000.00
TOTAL	\$1,744,282.49

Copies of the issued orders available upon request.

Interest is calculated based on the provisions of the *Interest on Judgments Act* RSNS 1989 c. 233.

B

2023 Hfx No. 45461
This is Exhibit "B" referred to in
the affidavit of Gavin
MacDonald affirmed before me
on June 24, 2024



Signature

A. MEAGHAN KELS
A Barrister of the Supreme
Court of Nova Scotia

msi Spergel inc.
21 King St. W., Suite 1602
Hamilton ON L8P 4W7
Phone: (782) 482-0436 Fax: (782) 482-0438
E-mail: faxhamilton@spergel.ca

District of: Nova Scotia
Division No. 01 - Halifax
Court No. 45461
Estate No. 51-2939212

FORM 31
Proof of Claim
(Sections 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),
and Paragraphs 51(1)(e) and 66.14(b) of the Act)

In the Matter of the Bankruptcy of
ATLANTIC SEA CUCUMBER LTD.
of the Community of Hacketts Cove, in the Province of Nova Scotia

All notices or correspondence regarding this claim must be forwarded to the following address:

Darren O'Keefe - O'Keefe and Sullivan LLP
80 Elizabeth Avenue, Suite 202, St. John's, NL, A1A 1W7
Email: dokeefe@okeefesullivan.com - Phone: 707-700-0911

In the matter of the bankruptcy of ATLANTIC SEA CUCUMBER LTD. of the Community of Hacketts Cove in the Province of Nova Scotia and the claim of Atlantic Golden Age Holding Inc., creditor.

I, Songwen (Sam) Gao (name of creditor or representative of the creditor), of the community of Hackett's Cove in the province of Nova Scotia, do hereby certify:

1. That I am the President of Atlantic Golden Age Holding Inc.
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of bankruptcy, namely the 28th day of March 2024, and still is, indebted to the creditor in the sum of \$2,990,979.62 CAD, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)
4. (Check and complete appropriate category.)

- ☒ A. UNSECURED CLAIM OF \$312,484.69
(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and
(Check appropriate description.)

- ☐ Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.
☐ Regarding the amount of \$ _____, I do not claim a right to a priority.
(Set out on an attached sheet details to support priority claim.)

- ☐ B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

- ☒ C. SECURED CLAIM OF \$2,678,494.93

That in respect of this debt, I hold assets of the debtor valued at \$2,678,494.93 as security, particulars of which are as follows:

See attached Schedule ◆A◆

- ☐ D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____
(Attach a copy of sales agreement and delivery receipts.)

District of
Division No.
Court No.
Estate No.

Nova Scotia
01 - Halifax
45461
51-2939212

FORM 31 — Concluded
In the Matter of the Bankruptcy of
ATLANTIC SEA CUCUMBER LTD.
of the Community of Hacketts Cove, in the Province of Nova Scotia

☐ E. CLAIM BY WAGE EARNER OF \$ _____

☐ That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____.

☐ That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____.

☐ F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____

☐ That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____.

☐ That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____.

☐ G. CLAIM AGAINST DIRECTOR \$ _____

(To be completed when a proposal provides for the compromise of claims against directors.)
That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

☐ H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, the above-named creditor is related to the debtor within the meaning of section 4 of the Act, and has not dealt with the debtor in a non-arm's-length manner.

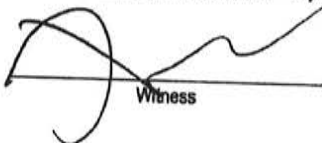
6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: *(Provide details of payments, credits and transfers at undervalue.)*

7. *(Applicable only in the case of the bankruptcy of an individual.)*

☐ Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.

☐ I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at Halifax, Nova Scotia, this 17th day of April, 2024.


Witness



Creditor

Phone Number: 902-428-8888

Fax Number:

E-mail Address: samunitedtrans@gmail.com

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 20(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

Form 36

Proxy

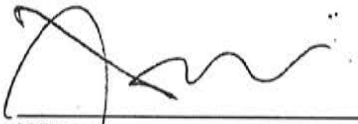
(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

District of: Nova Scotia
Division: 01 – Halifax
Court No.: 45461
Estate No.: 51-2939212

**In the matter of the Bankruptcy of
ATLANTIC SEA CUCUMBER LTD.
of the Community of Hackett's Cove, in the Province of Nova Scotia**


I, Songwen Gao, of Atlantic Golden Age Holdings Inc., a creditor in the above matter, hereby appoint Megan Taylor, of Reconstruct LLP, to be my proxyholder in the above matter, except as to the receipt of dividends, with power to appoint another proxyholder in her place.

Dated at Halifax, Nova Scotia, this 17TH day of April, 2024.



Witness

Atlantic Golden Age Holdings Inc.



Songwen Gao

Schedule "A"

Atlantic Golden Age Holding Inc.

Statement of Account

As of April 16, 2024

Balance owing as of May 1, 2023 (date of NOI)	\$ 2,163,189.55
Advances from May 1, 2023 to March 27, 2023 (date of bankruptcy)	827,790.07
Total Due from Atlantic Sea Cucumber	<u>\$ 2,990,979.62</u> CAD\$

Security Particulars:

1. January 2, 2018 loan agreement between ASCL and AGAHI with respect to a \$2.174M loan by AGAHI to ASCL;
2. March 5, 2023 security agreement between ASCL and AGAHI (the "GSA"), registered in the Nova Scotia Personal Property Registry ("NSPPR") on March 14, 2023 as Registration No. 37551231; and
3. April 13, 2023 collateral mortgage between ASCL and AGAHI with respect to PIDs 41075649 and 41211806, securing up to \$2,748,183.00 (the "Collateral Mortgage") registered in the Nova Scotia Land Registry on April 13, 2023 as Document No. 122300339.

LOAN AGREEMENT

1. **THE PARTIES.** This Loan Agreement ("Agreement") made on 2nd Jan 2018, is by and between:

Borrower: Atlantic Sea Cucumber Ltd. with a mailing address of 212 Pauls Point Rd ,Hacketts Cove, NS B3Z 3K7 ("Borrower"), and

Lender: Atlantic Golden Age Holding Inc. with a mailing address of 19 Cairnwell Close , Halifax , B3P 0A6 ("Lender").

2. **LOAN TERMS.** The Lender agrees to lend the Borrower under the following terms:

- a. **Principal Amount:** \$2.174M
- b. **Interest Rate:** 0% compounded per: (check one)
 - ☐ - Month
 - ☐ - Annum
 - ☒ - Other: [OTHER]
- c. **Borrower to Receive the Borrowed Money on:** based on the requirement of the borrower .

Hereinafter known as the "Borrowed Money."

3. **PAYMENTS.** The full balance of the Borrowed Money, including all accrued interest and any other fees or penalties, is due and payable in: (check one)

☐ - **A LUMP SUM.** The Borrower shall repay the Borrowed Money as a lump sum, in full, in the amount of \$2.174M (principal) by 31st Dec 2019 ("Due Date").

☐ - **INSTALLMENTS.** Borrower shall pay principal and interest installment amounts equal to \$[AMOUNT] with the first (1st) payment due on [DATE] and the remaining payments to be paid: (check one)

- ☐ - **Weekly** with any remaining balance payable on [DATE] ("Due Date").
- ☐ - **Monthly** with any remaining balance payable on [DATE] ("Due Date").
- ☐ - **Quarterly** with any remaining balance payable on [DATE] ("Due Date").

Hereinafter known as the "Repayment Period."

4. **PAYMENT IS DUE.** Any payment made by the Borrower is considered late if made more than 30 day(s) after any payment due date ("Payment Due Date"). This shall include, but not be limited to, any payment made related to the Repayment Period, the Due Date, or any other payment mentioned in this Agreement.
5. **LATE FEE.** If the Borrower makes a late payment for any Payment Due Date, there shall be: (check one)

☐ - **NO LATE FEE.**

☒ - **LATE FEE.** The Borrower shall pay a late fee of \$10,000 for each: (check one)

☒ - **Occurrence** payment is late.

☐ - **Day** payment is late.

6. SECURITY. This Agreement shall be: (check one)

☐ - **UNSECURED.** There shall be no security provided in this Agreement.

☒ - **SECURED.** There shall be property to secure this Agreement described as: building, land and equipment ("Security").

The Security shall transfer to the possession and ownership of the Lender immediately pursuant to Section 11 of this Agreement. The Security may not be sold or transferred without the Lender's consent until the Due Date. If Borrower breaches this provision, Lender may declare all sums due under this Agreement immediately due and payable, unless prohibited by applicable law. The Lender shall have the sole option to accept the Security as full payment for the Borrowed Money without further liabilities or obligations. If the market value of the Security does not exceed the Borrowed Money, the Borrower shall remain liable for the balance due while accruing interest at the maximum rate allowed by law.

7. CO-SIGNER. (check one)

☒ - **NO CO-SIGNER.** This Agreement shall not have a Co-Signer.

☐ - **CO-SIGNER.** This Agreement shall have a Co-Signer known as [CO-SIGNER'S NAME] ("Co-Signer") who agrees to the liabilities and obligations on behalf of the Borrower under the terms of this Agreement. If the Borrower does not make payment, the Co-Signer shall be personally responsible and is guaranteeing the payment of the principal, late fees, and all accrued interest under the terms of this Agreement.

8. PREPAYMENT PENALTY. The Borrower shall be charged: (check one)

☒ - **NO PRE-PAYMENT PENALTY.** The Borrower is eligible to pre-pay the Borrowed Money, at any time, with no pre-payment fee.

☐ - **A PRE-PAYMENT PENALTY.** If the Borrower pays any Borrowed Money to the Lender with the specific purpose of paying less interest, there shall be a pre-payment fee of: (check one)

☐ - \$[AMOUNT]

☐ - [PERCENT]% of the pre-paid amount.

☐ - Other. [OTHER]

- 9. INTEREST DUE IN THE EVENT OF DEFAULT.** In the event the Borrower fails to pay the Agreement in full on the Due Date, the unpaid principal shall accrue interest at the maximum rate allowed by law until the Borrower is no longer in default.
- 10. ALLOCATION OF PAYMENTS.** Payments shall be first (1st) credited to any late fees due, second (2nd) any to interest due, and any remainder will be credited to the principal.
- 11. ACCELERATION.** If the Borrower is in default under this Agreement or is in default under another provision of this Agreement, and such default is not cured within the minimum allotted time by law after written notice of such default, then Lender may, at its option, declare all outstanding sums owed on this Agreement to be immediately due and payable. This includes any rights of possession in relation to the Security described in Section 6.
- 12. ATTORNEYS' FEES AND COSTS.** Borrower shall pay all costs incurred by Lender in collecting sums due under this Agreement after a default, including reasonable attorneys' fees. If Lender or Borrower sues to enforce this Agreement or to obtain a declaration of its rights hereunder, the prevailing party in any such proceeding shall be entitled to recover its reasonable attorneys' fees and costs incurred in the proceeding (including those incurred in any bankruptcy proceeding or appeal) from the non-prevailing party.
- 13. WAIVER OF PRESENTMENTS.** Borrower waives presentment for payment, a notice of dishonor, protest, and notice of protest.
- 14. NON-WAIVER.** No failure or delay by Lender in exercising Lender's rights under this Agreement shall be considered a waiver of such rights.
- 15. SEVERABILITY.** In the event that any provision herein is determined to be void or unenforceable for any reason, such determination shall not affect the validity or enforceability of any other provision, all of which shall remain in full force and effect.
- 16. INTEGRATION.** There are no agreements, verbal or otherwise that modify or affect the terms of this Agreement. This Agreement may not be modified or amended except by a written agreement signed by Borrower and Lender.
- 17. CONFLICTING TERMS.** The terms of this Agreement shall control over any conflicting terms in any referenced agreement or document.
- 18. NOTICE.** Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, (c) by facsimile, or (d) by a commercial overnight courier that guarantees next day delivery and provides a receipt, and such notices shall be made to the parties at the addresses listed above.

19. EXECUTION. The Borrower executes this Agreement as a principal and not as a surety. If there is a Co-Signer, the Borrower and Co-Signer shall be jointly and severally liable under this Agreement.

20. GOVERNING LAW. This Agreement shall be governed under the laws in the State of Nova Scotia.

21. ENTIRE AGREEMENT. This Agreement contains all the terms agreed to by the parties relating to its subject matter, including any attachments or addendums. This Agreement replaces all previous discussions, understandings, and oral agreements. The Borrower and Lender agree to the terms and conditions and shall be bound until the Borrower repays the Borrowed Money in full.

Lender Signature:  Date: Jan 2nd 2018

Print Name: Zheng Wang

Borrower Signature:  Date: Jan 2nd 2018

Print Name: Songwen Gao

[Search](#)[Provincial Map](#)[Bulletin+Board 1](#)[Help](#)

Land Registration View

* Indicates interests inherited on subdivision or re-configuration of parcel

PID	41075649	Parcel Type	STANDARD PARCEL	Status	ACTIVE
Area	4.5 ACRE(S)	Parcel Access	PRIVATE (BY GRANT)	Manag. Unit	MU0805
Lot	LOT F-1	Created	Jan 27, 2003 12:00:00AM		
PDCA Status	APPROVED	Municipal Unit	HALIFAX REGIONAL MUNICIPALITY	Manner of Tenure	NOT APPLICABLE
LR Status	LAND REGISTRATION	LR Date	Jan 10, 2005 02:40:03PM		

Location	County	Primary Location	Source
PAULS POINT ROAD HACKETTS COVE	HALIFAX COUNTY	Yes	Not Assigned by Municipality

Comments
LOC:[V]
MAP:05M1249

Assessment Account	Value	Tax District	Tax Ward	Tax Sub
09512977	\$614,200 (2023 COMMERCIAL TAXABLE)	130	000	

Back to Results	Details View	Parcel Archive View	Map View
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Registered Interests

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date	NS Non-Res?
ATLANTIC SEA CUCUMBER LTD.	FEE SIMPLE	19 CAIRNWELL CLOSE HALIFAX NS CA B3P 0A6	DEED	2015	107859804 View Form View Doc		Sep 30, 2015	No

Farm Loan Board - Occupants & Mailing Addresses

Name	Interest Holder Type	Mailing Address
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No Records Found

Benefits to the Registered Interests

Benefit Details	Interest Holder Type	Type	Year	Doc #	Book/Page/Plan	Registration Date
TOGETHER WITH AN EASEMENT/RIGHT OF WAY	EASEMENT / RIGHT OF WAY HOLDER (BENEFIT)	CORRECTION OF AUTHORIZED LAWYER'S ERROR ON CLE	2008	90439838 View Doc		Apr 17, 2008
41230517	SERVIENT TENEMENT PID	CORRECTION OF AUTHORIZED LAWYER'S ERROR ON CLE	2008	90439838 View Doc		Apr 17, 2008

Burdens on the Registered Interests

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
40035792	EASEMENT/ROW HOLDER (BURDEN) - DOMINANT PID		CORRECTION OF AUTHORIZED LAWYER'S ERROR ON CLE	2008	90439838 View Doc		Apr 17, 2008

Textual Qualifications on Title

Qualifications Text

Tenants in Common not registered pursuant to the Land Registration Act

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
--------------------------------	----------------------	-----------------	------	------	-------	----------------	-------------------

No Records Found

Recorded Interests

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
ATLANTIC GOLDEN AGE HOLDING INC.	MORTGAGEE	212 PAUL'S POINT ROAD HACKETT'S COVE NS CA B3Z 3K7	MORTGAGE	2023	122300339 View Form View Doc		Apr 13, 2023

Parcel Description

All that certain lot, piece or parcel of land, situate lying and being at the end of Pauls Point Road, Hacketts Cove, Halifax County. Said lot being shown as Lot F-1 on a plan of subdivision of Lot D and F, prepared by J. Forbes Thompson N.S.L.S. dated November 1, 2002. Said Lot F-1 being more particularly described as follows.

Beginning at a point on the western side of a 30 foot wide right of way to Pauls Point Road, said point also being the south west corner of Lot F-1 herein described.

Thence by the magnet of the year 1973, North 31 degrees 51 minutes 59 seconds West a distance of 90.46 feet to a point.

Thence North 54 degrees 19 minutes 35 seconds East, a distance of 289.84 feet to the high water mark of a pond.

Thence easterly and northerly following the various courses of the high water mark of said pond, a distance of 600 feet more or less to a point, said point being North 24 degrees 06 minutes 16 seconds East, a distance of 491.20 feet from the last mentioned point.

Thence North 63 degrees 48 minutes 39 seconds East, a distance of 95.61 feet to a point.

Thence North 15 degrees 57 minutes 56 seconds West, a distance of 45.00 feet to the former high water mark of St. Margarets Bay.

Thence northeasterly following the former high water mark, a distance of 101 feet more or less to a point. Said point being North 55 degrees 02 minutes 06 seconds East, a distance of 100.47 feet from the last mentioned point.

Thence South 15 degrees 57 minutes 56 seconds East, a distance of 257.71 feet to a point.

Thence South 74 degrees 02 minutes 04 seconds West, a distance of 95.00 feet to a point.

Thence South 15 degrees, 57 minutes 56 seconds East, a distance of 85.05 feet.

Thence South 15 degrees 44 minutes 57 seconds East, a distance of 298.41 feet to a point.

Thence South 36 degrees 22 minutes 48 seconds East, a distance of 11.97 feet to a point.

Thence South 73 degrees 46 minutes 50 seconds West, a distance of 661.42 feet to the place of beginning.

Together with a right of way, 30 feet wide, leading from the southern boundary of Lot F-1, herein described and passing over Lot E-2, lands of Lloyd R. McRae, to Pauls Point Road, as shown on the above mentioned plan.

Subject to an easement/right of way, 30 feet wide, more fully described on the above-noted plan.

The parcel originates with an approved plan of subdivision that has been filed under the Registry Act or registered under the Land Registration Act at the Land Registration Office for the registration district of Halifax, as plan or document number 35544, in drawer number 390.

Lot F-1 contains an area of 4.5 acres more or less.

Non-Enabling Documents

Inst Type	Inst No	Year	Type	Book/Page	Registration System	Registration Date
	111556214					
Document	View Doc	2017	NOTICE TO REGISTRAR TO CANCEL SECURITY REQUEST		LAND REGISTRATION	Oct 12, 2017

Non-Enabling Plans

Inst Type	Inst No	Year	Type	Plan Name	Drawer Number	Registration Date
No Non Enabling Plans Found						

AFR Bundles

Inst Type	Inst No	Year	Type	Filing Reference	Instrument Date
Non-Registered	125358	2005	AFR BUNDLE	HC483-03-313275768	Jan 12, 2005

Parcel Relationships

Related PID	Type of Relationship
40304396	PARENT PARCEL NUMBER

[Back to Results](#) [Details View](#) [Parcel Archive View](#) [Map View](#)

This parcel IS REGISTERED PURSUANT TO THE *Land Registration Act*. The registered owner of the registered interest owns the interest defined in this register in respect of the parcel described in the register, subject to any discrepancy in the location, boundaries or extent of the parcel and subject to the overriding interests (*Land Registration Act* subsection 20(1)).

No representations whatsoever are made as to the validity or effect of recorded documents listed in this parcel register. The description of the parcel is not conclusive as to the location, boundaries or extent of the parcel (*Land Registration Act* subsection 21(1)).

[Boundary/Area Problem](#) [General Problem](#) [Municipal Tax Query](#)

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Search

Provincial Map

Bulletin+Board 1

Help

Land Registration View

* Indicates interests inherited on subdivision or re-configuration of parcel

PID	41211806	Parcel Type	STANDARD PARCEL	Status	ACTIVE
Area	1195.0 SQUARE METERS	Parcel Access	NAVIGABLE WATERWAY	Manag. Unit	MU0805
Lot	PARCEL F-1-I	Created	May 10, 2006 10:41:33AM		
PDCA Status	APPROVED	Municipal Unit	HALIFAX REGIONAL MUNICIPALITY	Manner of Tenure	NOT APPLICABLE
LR Status	LAND REGISTRATION	LR Date	Feb 28, 2009 04:13:47PM		

Location	County	Primary Location	Source
212 PAULS POINT ROAD HACKETTS COVE	HALIFAX COUNTY	Yes	Assigned by Municipality

Comments
MAP:05M1249
Infilled Area

Assessment Account	Value	Tax District	Tax Ward	Tax Sub
10199638	\$27,500 (2023 COMMERCIAL TAXABLE)	130	000	

Back to Results	Details View	Parcel Archive View	Map View
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Registered Interests

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date	NS Non-Res?
ATLANTIC SEA CUCUMBER LTD.	FEE SIMPLE	19 CAIRNWELL CLOSE HALIFAX NS CA B3P 0A6	DEED	2015	107859804 View Form View Doc		Sep 30, 2015	No

Farm Loan Board - Occupants & Mailing Addresses

Name	Interest Holder Type	Mailing Address
------	----------------------	-----------------

No Records Found

Benefits to the Registered Interests

Benefit Details	Interest Holder Type	Type	Year	Doc #	Book/Page/Plan	Registration Date
-----------------	----------------------	------	------	-------	----------------	-------------------

No Records Found

Burdens on the Registered Interests

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
-----------------------------	----------------------	-----------------	------	------	-------	----------------	-------------------

No Records Found

Textual Qualifications on Title

Qualifications Text

Tenants in Common not registered pursuant to the Land Registration Act

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
-----------------------------	----------------------	-----------------	------	------	-------	----------------	-------------------

No Records Found

Recorded Interests

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
ATLANTIC GOLDEN AGE HOLDING INC.	MORTGAGEE	212 PAULS POINT ROAD HACKETTS COVE NS CA B3Z 3K7	MORTGAGE	2023	122300339 View Form View Doc		Apr 13, 2023

Parcel Description

PID 41211806

Location: Hacketts Cove
Municipality/County: Halifax Regional Municipality - Halifax County
Designation of Parcel on Plan: Parcel F-1-I
Title of Plan: Plan of Survey Showing Parcel F-1-I, Infilled Crown Land, North of Pauls Point Road, Hacketts Cove, Halifax County, Province of Nova Scotia
Registration District: Halifax County
Registration Reference of Plan: Plan No. 92180398
Registration Date of Plan: November 20, 2008

The parcel (Parcel F-1-I) is an original Crown Grant and is not a subdivision.

Non-Enabling Documents

Inst Type	Inst No	Year	Type	Book/Page	Registration System	Registration Date
	92763250					
Document	View Doc	2009	ORDER TO REGISTRAR TO REGISTER TO TITLE		REGISTRY OF DEEDS	Feb 13, 2009

Non-Enabling Plans

Inst Type	Inst No	Year	Type	Plan Name	Drawer Number	Registration Date
	92180398					
Plan	View Plan	2008	RETRACEMENT PLAN	PLAN OF SURVEY SHOWING PARCEL F-1-1 INFILLED CROWN LAND		Nov 20, 2008

AFR Bundles

Inst Type	Inst No	Year	Type	Filing Reference	Instrument Date
No AFR Bundles Found					

Parcel Relationships

Related PID	Type of Relationship
No Related PIDs Found	

[Back to Results](#)[Details View](#)[Parcel Archive View](#)[Map View](#)

This parcel IS REGISTERED PURSUANT TO THE *Land Registration Act*. The registered owner of the registered interest owns the interest defined in this register in respect of the parcel described in the register, subject to any discrepancy in the location, boundaries or extent of the parcel and subject to the overriding interests [*Land Registration Act* subsection 20(1)].

No representations whatsoever are made as to the validity or effect of recorded documents listed in this parcel register. The description of the parcel is not conclusive as to the location, boundaries or extent of the parcel [*Land Registration Act* subsection 21(1)].

[Boundary/Area Problem](#)[General Problem](#)[Municipal Tax Query](#)

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Document Query - Printer Friendly Version

Names

Last Name:
 First Name:
 Middle Name:
 Query exact? NO
 Enterprise Name: ATLANTIC SEA CUCUMBER
 Query exact? NO
 Search for: GRANTORS (AGAINST)
 Registration System: REGISTRY OF DEEDS
Select Search Category(s)
 Grantor/Grantee Index: YES
 General Powers of Attorney: YES
 Judgments: YES
 Code:
 Include Name Changes: YES

Documents

Document #:
 Prefix:
 Suffix:
 Book:
 Page:

Search Options

County: HALIFAX COUNTY
 Date Range: 1749-01-01 to 2023-06-22
 Mode: Replace

Document Search Results (for HALIFAX COUNTY - Data current from 1749 to Doc. 122632319 registered on 2023/06/21 11:20)
(for GRANTORS searched as of 2023/06/22 14:18)

1 Records, 1 Selected, Query Type - Replace

Sel	Grantor (Against)	Grantee (ATS)	Reg Date	Book/Page	Document #	Instr Type	Exp Date	Location
YES	ATLANTIC SEA CUCUMBER LTD	WEIHAI TAIWEI HAIYANG AQUATIC FOOD CO LTD	2023-04-28	/	122363659	JUDGMENT	2028-04-13	

The following sort rules are

used for Parcel and GGI Name Searches:

Person Names:

- Spaces and Apostrophes in last names are ignored.
- Searches for either Mc or Mac will return either

Company Names:

- All spaces and other non-alpha or non-numeric characters (#, (,), &, -etc.) are ignored.

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched: Nova Scotia
Type of Search: Debtors (Enterprise)
Search Criteria: Atlantic Sea Cucumber Ltd.
Date and Time of Search (YYYY-MM-DD hh:mm): 2023-06-19 14:41 (Atlantic)
Transaction Number: 24477903
Searched By: D194041

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place
*	*	37085685	ATLANTIC SEA CUCUMBER LTD.	HACKETTS COVE
*	*	37551231	Atlantic Sea Cucumber Ltd.	Halifax
	*	37759958	Atlantic Sea Cucumber Limited	Hacketts Cove
	*	37065851	ATLANTIC SEA CUCUMBER LTD	HACKETTS COVE

An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk (*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 2 registration(s) contained information that **exactly** matched the search criteria you specified.

- 2 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

Registration Details for Registration Number: 37085685

Province or Territory: Nova Scotia
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	37085685	2022-11-14 13:58	2027-11-14	50833719

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
ATLANTIC SEA CUCUMBER LTD.
212 PAULS POINT RD
HACKETTS COVE NS B3Z 3K7
Canada

Secured Parties

Type: Enterprise
Royal Bank Of Canada
7101 Parc Avenue, 5th Floor
Montreal QC H3N 1X9
Canada

General Collateral

All of the Debtor's present and after-acquired personal property except for consumer goods and all proceeds thereof, including, without limitation, all of the Debtor's personal and after-acquired personal property.

Registration Details for Registration Number: 37551231

Province or Territory: Nova Scotia
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	37551231	2023-03-14 14:59	2033-03-14	OC2023150-000 01

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
Atlantic Sea Cucumber Ltd.
Gao, Songwen
19 Cairnwell Close
Halifax NS B3P 0A6
Canada

Secured Parties

Type: Enterprise
Atlantic Golden Age Holding Inc.
Gao, Songwen
212 Paul's Point Road

Hackett's Cove NS B3C 3K7
Canada
Phone #: 902-823-9998

General Collateral

Atlantic Sea Cucumber Ltd. (hereinafter, the "Grantor"), grants to the Lender a continuing security for all of the Grantor's indebtedness, obligations and liabilities of any kind and nature (including without limitation, all principal, interest and other amounts owing by it and its indemnity obligations) arising from the Loan Agreement dated January 2, 2018, now or hereafter existing, direct or indirect, absolute or contingent, matured or un-matured, joint or several, whenever and however incurred whether as principal or surety, in any currency together with all fees and expenses (including legal fees on a full indemnity basis) incurred by the Lender, its receiver, receiver and/or manager or agent in the preparation, negotiation, perfection, renewal and enforcement of security or other agreements held by the Lender in respect of such indebtedness, obligations or liabilities (collectively, the "Obligations"), the Grantor hereby grants to the Lender, by way of pledge, mortgage, charge, assignment, hypothecation and transfer, a security interest (the "Security Interest") in the following (collectively, the "Collateral"):

- (a) all present and future inventory of the Grantor of whatever kind and wherever situate, including all of its present and future raw materials, materials used or consumed in its business, work-in-progress, finished goods, goods used for packing and goods acquired or held for sale or lease or that have been leased or furnished or that are to be furnished under contracts of rental or service, and all accessions to any of the foregoing, including all spare parts and accessories installed in or affixed or attached to any of the foregoing;
- (b) all present and future equipment of the Grantor of whatever kind and wherever situate, including all of its present and future machinery, fixtures, plant, tools, apparatus, furniture, vehicles of any nature, kind or description, and all accessions to any of the foregoing, including all spare parts and accessories installed in or affixed or attached to any of the foregoing, and all drawings, books, records, documents, specifications, plans and manuals relating to any of the foregoing;
- (c) all present and future intangibles of the Grantor, including all of its present and future accounts and other amounts receivable, dues, claims, book debts, contractual rights, goodwill, intellectual property (including patents, trademarks, copyrights, trade styles, logos, technology, trade secrets, inventions, industrial designs which the Grantor now or in the future has any right, title or interest, collectively, the "Intellectual Property") and choses in action of every nature and kind however arising (including letters of credit, guarantees and advices of credit which are now due, owing or accruing or coming due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Grantor);
- (d) all present and future money, deeds, agreements, documents, instruments, writings, papers, books of account and other books relating to or being records of accounts, chattel paper or documents of title of the Grantor;
- (e) all present and future investment property and financial assets of the Grantor, including securities, shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures, any property that is held by a securities intermediary for the Grantor, any credit balances in a securities account and all records and documents which constitute evidence of any share, unit, participation, or other interest of the Grantor in property or in an enterprise or which constitute evidence of an obligation of an issuer, together with all accretions thereto, all substitutions therefore, all rights, entitlements, claims, dividends and income derived therefrom (collectively, the "Investment Collateral");
- (f) all present and future real property, personal property, moveable or immoveable property, assets, and undertaking of the Grantor of any nature or kind, including all real property, personal property, assets and undertaking at any time owned (beneficially or legally), leased or licensed by the Grantor or in which the Grantor at any time has any right or interest or to which the Grantor is or may at any time become entitled; and
- (g) all present and future proceeds arising from any or all of the property, assets and undertaking of the Grantor referred to in this section 1, including insurance proceeds, expropriation compensation and any other payment representing indemnity or compensation for loss of or damage thereto.

Registration Details for Registration Number: 37759958

Province or Territory: Nova Scotia

Registration Type: Creditors' Relief Act Notice of Judgment

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	37759958	2023-04-27 16:34	2028-04-27	10045557.00001

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Court Information

Registration Number	Amount	Judgment Date	Court File Number	Court
37759958	1660574.41	2023-04-18	Hfx No. 507676	Supreme Court of Nova Scotia

Judgment Debtors

Type: Enterprise
Atlantic Sea Cucumber Limited
212 Paul's Point Road
Hacketts Cove NS B3Z 3K7
Canada

Judgment Creditors

Type: Enterprise
Weihei Taiwei Haiyang Aquatic Food Co. Ltd
1500-1625 Grafton Street
Halifax NS B3J 0E8
Canada

General Collateral

All present and after acquired personal property. / Tous les biens personnels actuels ou acquis ultérieurement.

Registration Details for Registration Number: 37065851

Province or Territory: Nova Scotia

Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	37065851	2022-11-08 16:40	2027-11-08	

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
ATLANTIC SEA CUCUMBER LTD
212 PAUL'S POINT RD
HACKETTS COVE NS B3Z3K7
Canada

Secured Parties

Type: Enterprise
AP CANADA FUND 1 INC
100 KING STREET WEST
TORONTO ON M5X1C9
Canada

General Collateral

ACCOUNTS

ACCOUNTS ARE SOLD UNDER THE TERMS OF A RECEIVABLES FINANCE AGREEMENT

END OF REPORT

C

2023 Hfx No. 45461
This is Exhibit "C" referred to in
the affidavit of Gavin
MacDonald affirmed before me
on June 24, 2024



Signature

A. MEAGHAN KELS
A Barrister of the Supreme
Court of Nova Scotia

CANADA
District of Nova Scotia
Division No. 01 – Halifax
Court No. 45461
Estate No. 51-2939212

In the Matter of the Bankruptcy of

ATLANTIC SEA CUCUMBER LTD.

of the Community of Hackett's Cove, of the Regional Municipality of Halifax,
in the Province of Nova Scotia

Trustee's Report to Creditors on Preliminary Administration

April 17, 2024

Section A – Background

Restructuring Proceedings Leading up to the Bankruptcy

1. On May 1, 2023, Atlantic Sea Cucumber Ltd. ("**ASC**" or the "**Bankrupt Company**") initially filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**"). **msi Spergel Inc. ("Spergel" or the "Trustee")** consented to act as Trustee under the NOI (the "**NOI Proceedings**").
2. On May 31, 2023, the Supreme Court of Nova Scotia (the "**Court**") granted ASC an extension of the time for the filing of a proposal to July 15, 2023.
3. On July 6, 2023, ASC filed an application with the Court seeking an order to convert the NOI proceedings to restructuring proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA**"). On July 19, 2023, the Court dismissed ASC's application.
4. ASC appealed the decision to the Nova Scotia Court of Appeal (the "**COA**"), however, on March 27, 2024, the COA dismissed ASC's appeal. As a result of the COA's decision, the stay of proceedings and time period for ASC to have filed a proposal expired. Pursuant to section 50.4(8) of the BIA, ASC was deemed to have filed an assignment in bankruptcy.
5. On March 27, 2024, the Trustee filed with the Office of the Superintendent of Bankruptcy (the "**OSB**") a report on the non-filing of the proposal. The OSB issued a certificate of assignment recording the date of bankruptcy as March 28, 2024. Spergel has been appointed as trustee of the bankrupt estate subject to affirmation by the creditors.
6. The documents relating to the restructuring proceedings along with the bankruptcy are posted on the Trustee's case website at: www.spergelcorporate.ca/engagements/atlantic-sea-cucumber-ltd

Bankrupt Company's Background and Cause of Insolvency

7. The Bankrupt Company operated a sea cucumber processing facility in Hackett's Cove, Nova Scotia. ASC purchased raw sea cucumbers and processed them into various dried sea cucumber products for bulk and retail distribution throughout North America, Australia, and Asia.
8. ASC's financial difficulties were partly due to the Covid-19 pandemic which caused a sharp drop in demand from customers. In 2021, ASC breached its loan covenants with its main lenders, TD Bank and Farm Credit Canada ("**FCC**"). In order to avoid the company being placed into receivership by TD Bank and FCC, ASC's president, Mr. Songwen (Sam) Gao, provided funds to ASC from a related holding company, Atlantic Golden Age Holding Inc. ("**AGAH**") to pay out the debt of TD Bank and FCC.
9. ASC's financial position was also negatively affected by a judgment awarded against the Company for approximately \$1.66 million in favour of a seafood supplier, Weihai Haiyang Aquatic Food Co. Ltd. ("**WTH**").

Notice of Bankruptcy

10. On April 8, 2024, the Trustee mailed the Notice of Bankruptcy and First Meeting of Creditors, Statement of Affairs, and a proof of claim form along with a proxy, to all known creditors of the Bankrupt.

Section B – Preliminary Evaluation of Assets and Security Interests

Assets

11. The Bankrupt's assets were reported as follows:

Atlantic Sea Cucumber Ltd.	
List of Assets (Internal Book Values, CAD\$)	
Cash in Bank	\$ 65,527
Accounts Receivable	483,768
Inventory	609,885
Equipment	132,375
Land and Building	1,386,939
Contingent Asset - Beaini & Associates Engineers Limited	1
	<u>\$ 2,678,495</u>

12. Cash in bank represents the balance of funds in the Bankrupt Company's CAD and USD bank accounts at the Royal Bank as of the date of bankruptcy.

13. Accounts receivable consists of various trade receivables related to the sale of sea cucumber products.
14. The inventory consists of various types of frozen and dried sea cucumber products available for sale to wholesalers and retail customers. ASC's retail sea cucumber products are sold under its Rosalyn brand name.
15. Equipment consists of various seafood processing equipment including a boiler and dryer system, steam kettles, dryer racks, cutting tables, forklifts, etc.
16. Land and building represent the Bankrupt Company's seafood processing facility located at 212 Pauls Point Road in Hackett's Cove, Nova Scotia. The property was acquired by the Bankrupt Company in 2015. It was previously a lobster facility. ASC undertook significant renovations to convert it from a lobster pound to a sea cucumber processing facility.
17. Related to the renovations of the seafood processing facility, the Bankrupt Company filed a claim against Beaini & Associates Engineers Limited for business losses it claims it suffered as a result of design and construction deficiencies. Further details on this claim are provided in Section F – Legal Proceedings.

Security Interests

18. As reported on the Bankrupt Company's Statement of Affairs, the secured creditors of the Bankrupt consist of the following:

Atlantic Sea Cucumber Ltd.	
List of Secured Creditors (CAD\$)	
Atlantic Golden Age Holding Inc.	\$ 2,675,952
Halifax Regional Municipality - Property Tax	2,543
	<u>\$ 2,678,495</u>

Atlantic Golden Age Holding Inc. ("AGAH")

19. AGAH has filed a proof of claim claiming it is owed \$2,990,979, and pursuant to a loan agreement between itself and ASC dated January 2, 2018, AGAH claims to hold a security interest in all the assets of ASC.
20. AGAH is a related company to ASC.
21. While the AGAH loan agreement was signed on January 2, 2018, the security interest was not registered in the Nova Scotia Personal Property Registry and in the Nova Scotia Land Registry until March 14, 2023 and April 13, 2023 respectively.

22. On June 26, 2023, the Trustee obtained an independent legal opinion from Burchell Wickwire Bryson LLP (“**BWB LLP**”) on the validity and enforceability of AGAH’s security. Based on its review, BWB LLP was of the opinion that the AGAH’s security is a valid binding charge on the assets of the Bankrupt.
23. AGAH claims it has a right to the assets of the Bankrupt Company pursuant to its security registrations and as mortgage-in-possession has retained possession of the assets.
24. During the NOI proceedings, counsel for WTH, the Bankrupt Company’s largest creditor besides AGAH, disputed the validity and enforceability of AGAH’s security.
25. The Trustee is currently reviewing AGAH’s loan/security agreement with its legal counsel, Boyne Clarke LLP and BWB LLP. More details are provided in Section F – Reviewable Transactions. The Trustee acknowledges the various objections made by WTH to AGAH’s security. It is the Trustee’s opinion that AGAH’s security should be reviewed by the Court and whether it is valid and enforceable against the Bankrupt Estate should be determined by the Court.

Section C – Books and Records of the Bankrupt

26. The Trustee has been provided with copies of certain books and records including accounting records. Most of the physical records remain at the head office in Hackett’s Cove. The Trustee has confirmed that AGAH is maintaining the data and computer systems back-ups to protect the records.

Section D – Conservatory and Protective Measures

27. As previously mentioned, AGAH claims to have a valid security interest in the assets of the Bankrupt Company and has retained possession. The Trustee has confirmed that insurance is in place, however, since a ruling on AGAH’s security can be obtained from the Court, there are no conservatory or protective measures which can be taken by the Trustee at this time.

Section E – Provable Claims and Description of Creditors

28. As of the date of this report, the Trustee has received the following proofs of claims:

The Bankruptcy of Atlantic Sea Cucumber Ltd.

Provable Claims Received to Date (CAD\$)

As of April 17, 2024

Secured Creditors

Atlantic Golden Age Holdings Inc.	\$ 2,678,495
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Preferred Creditors

Weihai Taiwei Haiyang Aquatic Food Co. Ltd. (note 1)	5,000
------------------------------------------------------	-------

Unsecured Creditors

Weihai Taiwei Haiyang Aquatic Food Co. Ltd.	1,739,282
Atlantic Canada Opportunities Agency (note 2)	953,172
Atlantic Golden Age Holdings Inc.	312,485
Van Island Trading Ltd.	242,903
Convera Canada ULC	85,613
	<hr/>
	\$ 3,333,455

(1) Pursuant to section s.136(a)(iii) of the BIA, WTH has filed a preferred claim for the \$5,000 cost award it given from the March 27, 2024 Court of Appeal decision.

(2) ACOA has reported that ASC was directly obligated for loans totaling \$218,625 and also a co-obligant with related company, AKSO Marine Biotech Inc., on loans totalling \$734,547. The Trustee is currently in the process of reviewing the ACOA claim as the AKSO Marine debt was not reported on the Statement of Affairs.

Section F – Legal Proceedings, Reviewable Transactions and Preference Payments

Claim Against Beaini & Associates Engineers Limited

29. The only legal proceeding initiated by the Bankrupt against other parties is the claim against Beaini & Associates Engineers Limited (“**Beaini**”). Beaini was contracted by the Bankrupt in 2016 to design and engineer changes to its processing facility. The Bankrupt Company claimed that the processing facility was never able to operate as expected or promised by Beaini and as a result, the Bankrupt lost revenue due to the delayed start-up. The Bankrupt had a preliminary economic loss report completed by PricewaterhouseCoopers (“**PwC**”) in November of 2022, which estimated ASC’s loss to range from \$2.46 million to \$4.61 million.
30. The Bankrupt’s legal counsel, O’Keefe and Sullivan LLP, had continued the action against Beaini. On March 7, 2024, a case conference with Honourable Justice Smith was held to discuss next steps in the proceedings, which including Beaini undertaking to provide certain documentation.
31. The proceedings are at a preliminary stage and the likelihood of recovery against Beaini is unknown at this time.

Preference under S. 95 of the BIA

32. As noted above, AGAH is claiming it holds security over all of the assets of the Bankrupt Company subject to its January 2, 2018 loan agreement.
33. Upon review by the Trustee, it appears that the initial amount loaned under the January 2, 2018 loan agreement was paid back, and then starting in 2021, AGAH lent ASC subsequent funds to use to pay out its secured lenders, TD Bank and FCC.
34. During the NOI Proceedings, counsel for WTH asserted that AGAH's debt and security should be ruled invalid against the estate for the following reasons:
 - a. That the subsequent advances (made after the initial loan was repaid) represents new advances that are not secured by the January 2, 2018 loan agreement;
 - b. That the funds provided by AGAH should be treated as equity rather than debt;
 - c. That the registration of the security interest constitutes a preference pursuant to section 95(1)(a) of the BIA as it was (1) made within the three months before the date of the bankruptcy event (May 1, 2023) and (2) made in favour of AGAH which is a related party not dealing at arm's length represents with ASC; and
 - d. WTH doubts the authenticity of the loan agreement.
35. The Trustee is still reviewing AGAH's security with its legal counsel, however, it is the opinion of the Trustee that a Court hearing should be requested to consider the objections raised by WTH.

Section G – Third-party Deposits or Guarantees

36. At the time of filing the NOI, Mr. Gao provided the Trustee and its legal counsel with a retainer of \$75,000. Approximately \$10,000 of the retainer remains unused.

Section H – Acting for Secured Creditor

37. Spergel is not acting for AGAH. AGAH, as a mortgagee-in-possession, is in possession of the assets of the Bankrupt Company subject to its security agreement. AGAH is co-operating with the Trustee.

Section I – Projected Distribution to Unsecured Creditors

38. Whether funds will be available to unsecured creditors depends on (1) whether AGAH's security is determined to be valid and enforceable, and (2) what the assets will sell for in a sales process.
39. At this time, we are unable to estimate the results of both matters, and therefore unable to estimate whether funds will be available for unsecured creditors.

Section J – Other Matters

40. There are no other matters to report at this time.

Dated at Halifax, Nova Scotia this 17th day of April, 2024

msi Spergel Inc.

in its Capacity as Trustee for
the Bankrupt Estate of Atlantic Sea Cucumber Ltd.
and not in its corporate or personal capacity



Sean MacNeil, CPA, CIRP, LIT
Licensed Insolvency Trustee

D

2023 Hfx No. 45461
This is Exhibit "D" referred to in
the affidavit of Gavin
MacDonald affirmed before me
on June 24, 2024



Signature

A. MEAGHAN KELLS
A Barrister of the Supreme
Court of Nova Scotia

CANADA
District of Nova Scotia
Division No. 01 – Halifax
Court No. 45461
Estate No. 51-2939212

In the Matter of the Bankruptcy of

ATLANTIC SEA CUCUMBER LTD.

of the Community of Hackett's Cove, of the Regional Municipality of Halifax,
in the Province of Nova Scotia

Minutes of the First Meeting of Creditors

Date of Meeting: April 18, 2024

Time: 10:00 am Atlantic Time

Location: 1701 Hollis Street, Suite 800, Halifax, Nova Scotia (and via video call)

In Attendance: Sean MacNeil, of msi Spergel Inc., acting as the Trustee (in person)

Josh Santimaw, of Boyne Clarke LLP, legal counsel to the Trustee (via video call)

Songwen (Sam) Gao, President of the bankrupt company, Atlantic Sea Cucumber Ltd. ("**ASC**") and President of Atlantic Golden Age Holding Inc. ("**AGAH**") (via video call)

Darren O'Keefe, of O'Keefe & Sullivan LLP, representing Mr. Sam Gao (via video call)

Megan Taylor, of Reconstruct LLP, representing Atlantic Golden Age Holding Inc. by proxy (via video call)

Gavin MacDonald, of Cox & Palmer LLP, representing Weihai Haiyang Aquatic Food Co. Ltd. ("**WTH**") by proxy (in person)

Meaghan Kells, of Cox & Palmer LLP, representing Weihai Haiyang Aquatic Food Co. Ltd. (in person)

Julian Carpenter, representing Convera Canada ULC (via video call)

Jun Li, representing Van Island Trading Ltd. (via video call)

1. Sean MacNeil acted as Chair of the meeting (the “**Chair**”) under the authority of Section 105(1) of the *Bankruptcy and Insolvency Act* (BIA).
2. The Chair called the meeting to order at 10:00 am Atlantic time.
3. The Chair introduced himself and announced all the participants at today’s meeting.
4. The Chair explained the purpose of the meeting as per Section 102(5) of the BIA which was:
 - To consider the affairs of the bankrupt company;
 - To affirm the appointment of the Trustee or substitute another;
 - To appoint Inspectors of the estate; and
 - To give such directions to the Trustee as the creditors may see fit with reference to the administration of the bankrupt estate.
5. The Chair announced the Proofs of Claims filed to date. The Trustee determined that a quorum was present, and the meeting duly called and constituted.
6. The Chair announced that the Trustee is holding no proxies.
7. The Chair stated that the Trustee has admitted the Proof of Claim of AGAH for voting purposes, however, the Trustee notes the objections to AGAH’s claim made by WTH.

The Trustee explained to the meeting that during the bankrupt company’s proposal proceedings it had obtained an independent legal opinion from Burchell Wickwire Bryson LLP (“**BWB LLP**”) that was of the view that AGAH’s security was valid and enforceable. However, the Trustee and its legal counsel have asked BWB LLP to reconsider the related status of ASC and AGAH and revise its opinion, if necessary.

8. The Chair tabled the following documents:
 - Proof of service of notice of today’s meeting;
 - The bankrupt company’s Statement of Affairs;
 - Certificate of Assignment from the Office of the Superintendent of Bankruptcy; and
 - The Trustee’s Report to Creditors on its Preliminary Administration.
9. The Chair presented the Trustee’s Report to Creditors on its Preliminary Administration.

10. **APPOINTMENT OF INSPECTORS** - The Trustee explained the role of inspectors in the bankruptcy administration process and asked if any of the participants were willing to volunteer to act as an inspector or make a motion to appoint someone.
11. Mr. MacDonald volunteered to act as an inspector. His appointment was approved by Mr. Li.
12. Mr. O'Keefe objected to the appointment of Mr. MacDonald as inspector as it is his opinion that Mr. MacDonald is in a conflict of interest. Mr. O'Keefe said he would submit in writing to the Trustee his arguments against the appointment of Mr. MacDonald.
13. **RESOLVED** that Mr. Gavin MacDonald be appointed an Inspector, subject to further review by the Trustee of any arguments made by Mr. O'Keefe.
14. Ms. Taylor also volunteered to act as an Inspector. Mr. MacDonald objected to the appointment of Ms. Taylor, as he is of the opinion that AGAH's should not be allowed in its entirety.
15. **RESOLVED** that Ms. Megan Taylor be appointed as an Inspector, subject to further review of AGAH's proof of claim.
16. **APPOINTMENT OF TRUSTEE** - The Chairman asked for a motion to appoint or substitute the Trustee. Mr. MacDonald submitted a motion to appoint msi Spergel Inc. as Trustee which was seconded by Mr. Taylor.
17. **RESOLVED** that msi Spergel Inc. be appointed as Trustee for the bankrupt estate.
18. **QUESTION AND DISCUSSION PERIOD** -

Mr. O'Keefe again stated for the record that he objected to the appointment of Mr. MacDonald as Inspector as he believes Mr. MacDonald is in a conflict of interest. Mr. O'Keefe alleges that due to Cox & Palmer LLP's joint retainer with TD Bank and WTH, Mr. MacDonald was in receipt of confidential financial information of ASC and AGAH which he and his firm used to the detriment of his client during its trial with ASC.

Mr. MacDonald responded the he personally, and his client, WTH, disagrees with Mr. O'Keefe and with every assertion that he has made.

Mr. O'Keefe also objects to WTH and its legal counsel allegedly pressuring the Trustee in requesting BWB LLP to revise its legal opinion, while WTH has not provided any financial consideration in obtaining said legal opinion.

Mr. Gao stated that Van Island Trading Ltd. is a related party to WTH, therefore, their motion to approve the appointment of Mr. MacDonald as an Inspector should not be permitted. The Chair noted Mr. Gao's objection and proposed that the Trustee will consider his comments upon its review of the ability of Mr. MacDonald to act as Inspector.

Mr. O'Keefe stated that preserving the fish buying and processor licenses of ASC is vital to maximizing the value of the assets/business of ASC, and that it is his opinion that a sale

process of the business as a going-concern should be conducted in order to maximize the value for all the creditors. Furthermore, he stated that the licenses are at risk because of the bankruptcy status, and that his client is considering his options.

19. In these minutes, the Chair has attempted to record the comments made by Mr. O'Keefe and Mr. MacDonald as accurately as possible, however, due to the arguments made and the speed at which they were made, the Chair has had to paraphrase certain comments. These minutes may not properly reflect all their comments completely and accurately.

After review, the Trustee will convene another meeting of creditors, if necessary; otherwise, if they feel necessary creditors may apply to the court to revoke the appointment of any inspector pursuant to section 116(5) of the BIA.

20. **DIRECTIONS TO THE TRUSTEE** - There were no further instructions to the Trustee besides the comments made by Mr. MacDonald and Mr. O'Keefe made during the question period.
21. The Chair told the meeting that as Trustee it would review the various objections made with its legal counsel and report back to the creditors.
22. As there were no further questions, the Chair officially adjourned the meeting at 10:45 am, without fixing a time or place for a future meeting.

Dated at Halifax, Nova Scotia this 18th day of April, 2024.



Sean MacNeil – Chairman
msi Spergel Inc.
1701 Hollis Street, Suite 800
Halifax, NS B3J 3M8
Phone/Fax: 902-707-0975
Email: SMacNeil@spergel.ca

E

2023 Hfx No. 45461
This is Exhibit "E" referred to in
the affidavit of Gavin
MacDonald affirmed before me
on June 24, 2024

A handwritten signature in blue ink, consisting of stylized, cursive letters, positioned above a horizontal line.

Signature

A. MEAGHAN KELS
A Barrister of the Supreme
Court of Nova Scotia

CANADA
District of Nova Scotia
Division No. 01 – Halifax
Court No. 45461
Estate No. 51-2939212

In the Matter of the Bankruptcy of

ATLANTIC SEA CUCUMBER LTD.

of the Community of Hackett's Cove, of the Regional Municipality of Halifax,
in the Province of Nova Scotia

Minutes of the First Meeting of Inspectors

Date of Meeting: April 18, 2024
Time: 10:55 am Atlantic Time
Location: 1701 Hollis Street, Suite 800, Halifax, Nova Scotia (and via telephone)
In Attendance: Sean MacNeil, of msi Spergel Inc., acting as the Trustee (in person)
Megan Taylor, Inspector (via telephone)
Gavin MacDonald, Inspector (in person)

1. The meeting was called to order.
2. The Trustee noted for the Inspectors that the claims of WTH and the appointment of both inspectors is being reviewed by the Trustee given the objections by each opposing party.
3. The sole purpose of the meeting was to appoint Boyne Clarke LLP as counsel to the bankrupt estate. Neither of the parties were opposed to said appointment.
4. **RESOLVED** - It was moved by Mr. MacDonald and seconded by Ms. Taylor that Boyne Clarke LLP shall be legal counsel to the estate.
5. There being no further business to discuss, the meeting was adjourned.

Dated at Halifax, Nova Scotia this 18th day of April, 2024.



Sean MacNeil – Trustee

F

2023 Hfx No. 45461
This is Exhibit "F" referred to in
the affidavit of Gavin
MacDonald affirmed before me
on June 24, 2024



Signature

A. MEAGHAN KELLS
A Barrister of the Supreme
Court of Nova Scotia

Kells, Meaghan (Halifax)

From: Joshua Santimaw <JSantimaw@boyneclarke.ca>
Sent: May 8, 2024 2:30 PM
To: MacDonald, Gavin (Halifax)
Cc: darren@okeefeandcompany.com; Sean MacNeil
Subject: ASC Security Opinion

Follow Up Flag: Follow up
Flag Status: Completed

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Dear Gavin:

I apologize for the delay in responding to you regarding the security opinion.

msi Spergel Inc. is accepting the proof of claim filed by Atlantic Golden Age Holding Inc. as secured per the independent opinion it received from Marc Dunning at Burchell Wickwire Bryson LLP. If you require something more formal, please let me know.

Additionally, msi Spergel Inc. has disclaimed any interest / chose in action regarding Atlantic Sea Cucumber Ltd. potential appeal to the Supreme Court of Canada. It does not believe a s. 38 order is required under the *Bankruptcy and Insolvency Act*.

Josh

Joshua J. Santimaw

Partner

T 902.460.3451 F 902.463.7500

BOYNECLARKE 
LAWYERS | LLP

99 Wyse Road, Suite 600
P.O. Box 876, Dartmouth Main
Dartmouth, NS B2Y 3Z5
www.boyneclarke.ca

Admitted to Practice in Nova Scotia
New Brunswick, Newfoundland and Labrador
Prince Edward Island and the State of New York
And the United States District Court for the SDNY

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G

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This is Exhibit "G" referred to in
the affidavit of Gavin
MacDonald affirmed before me
on June 24, 2024

A handwritten signature in blue ink, appearing to be 'A. Meaghan Kells', written over a horizontal line.

Signature

A. MEAGHAN KELLS
A Barrister of the Supreme
Court of Nova Scotia

Kells, Meaghan (Halifax)

From: Sean MacNeil <smacneil@spergel.ca>
Sent: May 29, 2024 8:48 AM
To: MacDonald, Gavin (Halifax); Josh Santimaw (JSantimaw@boyneclarke.ca)
Cc: Kells, Meaghan (Halifax)
Subject: RE: Atlantic Sea Cucumber/ Atlantic Golden Age Holdings
Attachments: AGAH - Release Letter - 2024-05-08.pdf

WARNING - This Message originated outside your organization. Please be cautious when opening attachments or clicking on links.

Gavin,

Thank you for your email.

As Trustee for the bankrupt estate, we do not object to your motion to the Court requesting the cause of action be transferred from the trustee to your client. Attached is a copy of the release letter sent to AGAH. If you need anything else from us, please let me know.

Regards,

Sean

Sean MacNeil, CPA, CIRP, LIT | Licensed Insolvency Trustee

Corporate Restructuring & Insolvency

msi Spergel inc. | Licensed Insolvency Trustees

1701 Hollis Street, Suite 800, Halifax, NS, B3J 3M8

T: +1 902-707-0975 | F: +1 902-707-0975

smacneil@spergel.ca | www.spergelcorporate.ca

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From: MacDonald, Gavin (Halifax) <GMacDonald@coxandpalmer.com>

Sent: Tuesday, May 28, 2024 2:57 PM

To: Josh Santimaw (JSantimaw@boyneclarke.ca) <JSantimaw@boyneclarke.ca>; Sean MacNeil
<smacneil@spergel.ca>
Cc: Kells, Meaghan (Halifax) <mkells@coxandpalmer.com>
Subject: Atlantic Sea Cucumber/ Atlantic Golden Age Holdings

Dear Josh and Sean,

We have received instructions to challenge AGAH's proof of claim and security. We intend to first bring a motion for an order pursuant to BIA s. 38 transferring the cause of action from the trustee to WTH. In connection with the necessary evidence, we have Josh's email of the trustee's decision on this issue (attached). Do you want to provide anything more formal, or are you comfortable with this email being filed as evidence of the trustee's decision?

Regards,

Gavin

Gavin MacDonald
Partner | Cox & Palmer

P 902 491 4464

E gmacdonald@coxandpalmer.com

F 902 421 3130

Nova Centre | South Tower, Suite 1500 – 1625 Grafton Street, Halifax NS B3J 0E8

Mailing address: PO Box 2380 Central, Halifax, NS B3J 3E5

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H

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This is Exhibit "H" referred to in
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MacDonald affirmed before me
on June 24, 2024

A handwritten signature in blue ink, consisting of stylized, cursive letters, positioned above a horizontal line.

Signature

A. MEAGHAN KELLS
A Barrister of the Supreme
Court of Nova Scotia



SPERGEL

msi Spergel inc., Licensed Insolvency Trustees
Head Office: 200 Yorkland Blvd., Suite 1100
Toronto, ON M2J 5C1
T: 416 497 1660 • F: 416 494 7199
www.spergel.ca

May 8, 2024

Atlantic Golden Age Holding Inc.
c/o Darren O'Keefe
O'Keefe and Sullivan LLP
80 Elizabeth Avenue, Suite 202
St. John's, NL
A1A 1W7

Attention: Mr. Songwen (Sam) Gao, President

Dear Sirs:

Re: The Bankruptcy of Atlantic Sea Cucumber Ltd. (the "Bankrupt Company" or "ASCL")

We have now had an opportunity to review your proof of claim dated April 17, 2024, including your various security agreements.

As Trustee in the prior proposal proceedings of ASCL, we requested an independent legal review of your security interests over the assets, undertakings and property (the "**Assets**") of the bankrupt company. Based upon a further review with legal counsel, we advise that in our capacity as Trustee for the bankrupt estate, we acknowledge your security interests and release interest in the Assets to you.

Please note that the Trustee offers no opinion as to the position of your security in relation to other creditors who may have claims against the same security.

Upon realization of the Assets, please report the results of your realization to us and amend your claim accordingly.

In the event there is a surplus upon your realization, any such surplus must be forwarded to the Trustee for the general benefit of creditors.

Yours truly,

MSI SPERGEL INC.
in its Capacity as Trustee for the estate of
Atlantic Sea Cucumber Ltd., in Bankruptcy
and not in its personal or corporate capacity

Sean MacNeil, CPA, CIRP, LIT
Licensed Insolvency Trustee

I

2023 Hfx No. 45461
This is Exhibit "I" referred to in
the affidavit of Gavin
MacDonald affirmed before me
on June 24, 2024

A handwritten signature in blue ink, consisting of stylized, overlapping loops and strokes, positioned above a horizontal line.

Signature

A. MEAGHAN KELLS
A Barrister of the Supreme
Court of Nova Scotia

Kells, Meaghan (Halifax)

From: Sean MacNeil <smacneil@spergel.ca>
Sent: May 24, 2024 8:26 AM
To: MacDonald, Gavin (Halifax)
Cc: Kells, Meaghan (Halifax); Joshua Santimaw
Subject: FW: Re: Atlantic Sea Cucumbers Ltd.
Attachments: Draft SISP ASCL 23 May 24.docx

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Gavin,

Do you have time for an Inspector's meeting on Monday or Tuesday next week?

We have been informed from Darren O'Keefe, counsel for Sam Gao and Atlantic Golden Age Holding Inc. (AGAH), that they plan to appeal the COA's decision to the SCC.

Also, AGAH now proposes that we as Trustee undertake a sales process, which includes:

- a. Seeking an *en bloc* sale of assets (assets, contracts, licenses);
- b. Require a 10% deposit;
- c. Credit bidding will be allowed;
- d. Confirmation of financing to be provided for the full cash bid component;
- e. Stalking Horse bids will be allowed.

AGAH seeks to submit a stalking horse credit bid for its debt plus a 15% premium and a 10% break fee.

We request that we hold an Inspectors' meeting to vote on the proposed sale process.

Can you please let me know if you are available on Monday or Tuesday for an Inspectors' meeting?

Thanks,

Sean

Sean MacNeil, CPA, CIRP, LIT | Licensed Insolvency Trustee
Corporate Restructuring & Insolvency

msi Spergel inc. | Licensed Insolvency Trustees
1701 Hollis Street, Suite 800, Halifax, NS, B3J 3M8
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From: Joshua Santimaw <JSantimaw@boyneclarke.ca>
Sent: May 9, 2024 11:14 AM

To: 'MacDonald, Gavin (Halifax)' <GMacDonald@coxandpalmer.com>; Megan Taylor <mtaylor@reconllp.com>; Sean MacNeil <smacneil@spergel.ca>
Cc: Kells, Meaghan (Halifax) <mkells@coxandpalmer.com>
Subject: RE: Re: Atlantic Sea Cucumbers Ltd.

Dear Gavin,

Thank you for your email. I will wait for a response from Darren O'Keefe on the points raised in your email before any meeting of inspectors is called.

Thanks,

Joshua J. Santimaw

Partner

T 902.460.3451 **F** 902.463.7500

From: MacDonald, Gavin (Halifax) <GMacDonald@coxandpalmer.com>
Sent: May 9, 2024 9:17 AM
To: Megan Taylor <mtaylor@reconllp.com>; Sean MacNeil <smacneil@spergel.ca>
Cc: Joshua Santimaw <JSantimaw@boyneclarke.ca>; Kells, Meaghan (Halifax) <mkells@coxandpalmer.com>
Subject: RE: Re: Atlantic Sea Cucumbers Ltd.

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Sean,

Thank you for your email and attaching a copy of Mr. O'Keefe's correspondence. I have a conflict at 10am tomorrow. However, before we schedule the meeting, I would ask for two things from the trustee or its counsel in writing.

1. Given that this bankruptcy results from a deemed assignment under BIA s. 50.4(8), how is a CCAA application permitted given the prohibition in CCAA s. 11.6(b)?
2. Does the trustee support or not the request to restart the CCAA process? If so, what benefit to the general body of creditors does the trustee see from such a proceeding given its determination that AGAH has valid debt and security covering all the assets of ASCL?

It seems to me that the inspectors should have the benefit of the view of the trustee and its counsel before considering the request. I am generally around next week and can make myself available on short notice if needed.

Regards,

Gavin

Gavin MacDonald

Partner | Cox & Palmer

P 902 491 4464

E gmacdonald@coxandpalmer.com

F 902 421 3130

Nova Centre | South Tower, Suite 1500 – 1625 Grafton Street, Halifax NS B3J 0E8

Mailing address: PO Box 2380 Central, Halifax, NS B3J 3E5

From: Megan Taylor <mtaylor@reconllp.com>
Sent: Wednesday, May 8, 2024 9:41 PM
To: Sean MacNeil <smacneil@spergel.ca>; MacDonald, Gavin (Halifax) <GMacDonald@coxandpalmer.com>
Cc: Joshua Santimaw <JSantimaw@boyneclarke.ca>
Subject: [SUSPICIOUS MESSAGE - INTERNAL USERNAME MATCH] RE: Re: Atlantic Sea Cucumbers Ltd.

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10am is good for me.

Thanks,

Megan

RECON
RECONSTRUCT LLP

Megan Taylor
Counsel
C | 709.765.4456
E | mtaylor@reconllp.com

Reconstruct LLP | Restructuring and Litigation Lawyers
120 Adelaide Street West | Suite 2500 | Toronto ON M5H 1T1

From: Sean MacNeil <smacneil@spergel.ca>
Sent: Wednesday, May 8, 2024 8:37 PM
To: Megan Taylor <mtaylor@reconllp.com>; MacDonald, Gavin (Halifax) <GMacDonald@coxandpalmer.com>
Cc: Joshua Santimaw <JSantimaw@boyneclarke.ca>
Subject: FW: Re: Atlantic Sea Cucumbers Ltd.

Gavin and Megan,

Darren O'Keefe sent me the attached letter requesting the Trustee convene a meeting of Inspectors to consider Sam Gao's request for estate approval for the bankrupt company to seek leave to file another CCAA application.

Sorry for the short notice but would both of you have time Friday to hold an Inspector's meeting by telephone. Would 10 am work for both or you, or perhaps you can let me know what time works best for your schedule.

Thanks,

Sean

Sean MacNeil, CPA, CIRP, LIT | Licensed Insolvency Trustee
Corporate Restructuring & Insolvency
msi Spergel inc. | Licensed Insolvency Trustees
1701 Hollis Street, Suite 800, Halifax, NS, B3J 3M8
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From: Darren O'Keefe
Sent: Wednesday, May 8, 2024 7:57 PM
To: Sean MacNeil <smacneil@spergel.ca>
Cc: JSantimaw@boyneclarke.ca; Sam Gao <sam@atlanticseacucumber.ca>
Subject: Re: Atlantic Sea Cucumbers Ltd.

Mr. MacNeil –

Please see the attached letter whereby our client is formally requesting that you call a meeting of Inspectors to consider filing a new CCAA Application.

Regards,

Darren D. O'Keefe
Partner, Lawyer | O'Keefe & Sullivan
P 709 800 6536 | C 709 699 3002
E dokeefe@okeefesullivan.com
80 Elizabeth Ave., Suite 202, St. John's, NL A1A 1W7

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SALE AND INVESTMENT SOLICITATION PROCESS

Introduction

1. On 27 March 2024, Atlantic Sea Cucumbers Ltd. ("**ASCL**" or the "**Company**") was deemed automatically bankrupt following a decision of the Nova Scotia Court of Appeal in matter 2024 NSCA 35 with **msi Spergel Inc.** (the "**Trustee**") being automatically appointed as Trustee of the estate of the Company (the "**Estate**") pursuant to section 57 of the *Bankruptcy and Insolvency Act*, RSC 1985, (the "**BIA**").
2. In accordance section 71 of the BIA, the Trustee is possessed of all of the assets and undertaking of the Company and is authorized to pursue the sale and/or reorganization of the Company's business or property, in whole or part, for the benefit of the Company's creditors. In this regard, the Trustee seeks to commence a Sale and Investment Solicitation Process (the "**SISP**"). This document outlines the terms of the SISP and is presented to the Inspectors of the Estate for approval pursuant to section 116 of the BIA.

Opportunity

3. The SISP is intended to solicit interest in a sale and/or refinancing of the Company' assets and business operations, which for purposes of this SISP shall include the Company's property at Hackett's Cove, Nova Scotia (the "**Opportunity**"). The Opportunity may include a recapitalization, investment, sale refinancing, investment in or other form of reorganization of the Company, including the Company's assets (collectively, the "**Assets**") and the Company's business operations (the "**Business**"). The Assets include, among other things, the parcel and improvements comprising ACSL's seafood processing facilities located in Hackett's Cove, Nova Scotia, as well as, for purposes of this SISP, the Company's fish processing and re-sale licenses issued by the Canada Food Inspection Agency and the Department of Fisheries and Oceans (the "**Licenses**").
4. Any transaction executed pursuant to this SISP will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature or description by the Trustee or any of their respective directors, officers, agents, advisors, or other representatives unless otherwise agreed in a definitive agreement.
5. All of the Company' rights, title, and interest in and to any of its Business and Assets pursuant to any transaction(s) contemplated in the SISP will be implemented free and clear of all liens, security interests, mortgages, charges, and other encumbrances, except those expressly assumed by a purchaser, pursuant to a Court order approving such transaction.

Timeline

6. The following table sets out the key milestones and deadlines under the SISP, which milestones and deadlines may be extended or amended by the Trustee, in consultation with the Inspectors, by up to two weeks without Court approval:

<u>Milestone</u>	<u>Deadline</u>
Finalization of SISP Marketing Materials	31 May 2024

Commencement of Marketing and Due Diligence	31 May 2024
Bid Deadline	15 July 2024
Selection of Successful Bid(s)	17 July 2024
Court Approval of Successful Bid(s) (if required)	Week of 17 July 2024
Closing of Successful Bid(s) (the " Closing Date Deadline ")	As soon as possible following Court Approval

SOLICITATION OF INTEREST: NOTICE OF SISP

7. By or no later than 31 May 2024, the Trustee shall:
 - (a) cause a notice of the SISP (the "**Notice**") to be published in any industry journal and other news publications that the Trustee considers appropriate in consultation with the Inspectors;
 - (b) issue a press release, setting out the information contained in the Notice and such other relevant information that the Trustee considers appropriate, with Canada Newswire; and
 - (c) prepare a form of non-disclosure agreement ("**NDA**"); and
 - (d) Prepare a virtual data room to provide additional information considered relevant, in the Trustee's sole discretion, to the Opportunity.
8. The Trustee will have responsibility for managing all communication with interested parties who have signed an NDA (hereinafter "**Interested Parties**"). This shall include facilitating the delivery of all communications, coordinating the execution of NDAs, and managing the process of answering enquiries.

Potential Bidders and Due Diligence Materials

9. Any parties who wish to participate in the SISP must provide to the Trustee:
 - (a) an NDA executed by it;
 - (b) a letter setting forth the identity of the party, the contact information for such party, full disclosure of the direct and indirect principals of the party, and an acknowledgement of the SISP terms; and
 - (c) sufficient financial disclosure to allow the Trustee to make a reasonable determination as to the party's financial and other capabilities to complete a transaction.
10. If an Interested Party has: (i) delivered an executed NDA and letter referred to in paragraphs 9 above; and (ii) provided the Trustee with satisfactory evidence, in the sole

discretion and judgment of the Trustee, of its financing capability to be able to complete a transaction pursuant to the SISP, then such party will be determined by the Trustee to be a **"Potential Bidder"**.

11. The Trustee will provide each Potential Bidder with access to a virtual data room to provide additional information considered relevant to the Opportunity.
12. The Trustee shall afford each Potential Bidder access to applicable due diligence materials and information pertaining to the Business and Assets of the Company as the Trustee deems appropriate in its reasonable business judgment. Due diligence access may include management presentations, access to a data room, on-site inspections, and other matters which a Potential Bidder may reasonably request. The Trustee shall not be obligated to provide any information relating to the Business or the Assets to any person other than to Potential Bidders. The Trustee will designate one or more representatives to coordinate all reasonable requests for additional information and due diligence access from each Potential Bidder and the way such requests must be communicated.
13. The Trustee shall not be obligated to provide any information relating to the Business or the Assets to any person other than to Potential Bidders. For greater certainty, selected materials may be withheld from certain Potential Bidders if the Trustee determines such information to represent proprietary or sensitive competitive information related to the Business and/or the Assets of the Company that should not be provided to a specific Potential Bidder, or if the Trustee believes, acting reasonably, that the information is being sought for purposes other than to consider a bid pursuant to this SISP.
14. Potential Bidders must rely solely on their own independent review, investigation, and/or inspection of all information and of the Business and/or Assets in connection with their participation in the SISP and any transaction they enter into with the Trustee. The Trustee, makes no representation or warranty whatsoever as to the information (including, without limitation, with respect to its accuracy or completeness): (i) provided through the due diligence process or otherwise made available pursuant to the SISP; or (ii) otherwise made available to a Potential Bidder except to the extent contemplated in any definitive documentation duly executed and delivered by the Successful Bidder (as defined below) and the Trustee, or approved by the Court (if required).
15. At any time during the SISP, the Trustee may in its reasonable business judgment, eliminate a Potential Bidder from the SISP, in which case such party will no longer be a Potential Bidder for the purposes of the SISP.

Insider Bids/Credit Bids

16. Any party or parties holding a properly perfected security interest in the Company may, subject in all respects to such party's compliance with the Bidding Procedures, credit bid the amount of debt secured by such lien/security interest as part of any transaction contemplated by the SISP, provided however that:
 - (a) any such credit bid must be communicated to the Trustee in writing by no later than June 7th, 2024 at 5:00 p.m. (Atlantic Time); and
 - (b) such transaction shall also provide for the indefeasible and irrevocable repayment in full in cash on the date of closing of any such transaction of any and all obligations owing pursuant to any secured interest in the asset(s) to be acquired

under such transaction that is senior to the security interest held in such asset(s) by the party submitting such credit bid unless the holder or indenture trustee or agent of any such senior security interest otherwise agrees.

Bid Deadline

17. Potential Bidders that wish to make a formal binding offer pursuant to the SISP (a "**Qualified Bid**") must submit such offer (a "**Bid**") by email so as to be received by the Trustee not later than 5:00 PM (Atlantic Time) on 15 July 2024 (the "**Bid Deadline**"). A party that submits a Bid is considered a "**SISP Bidder**".

Qualified Bids

18. A bid will be considered a "**Qualified Bid**" if it meets the below criteria (collectively, the "**Bid Criteria**"), as determined by the Trustee:
- (a) it is submitted on or before the Bid Deadline;
 - (b) it identifies the identity of the Potential Bidder and full disclosure of any entities and/or individuals that control the Potential Bidder, and/or the beneficial owner (if any) with the power, directly or indirectly, to direct the management and policies of the Potential Bidder;
 - (c) it includes a duly authorized and executed, definitive transaction agreement, containing the detailed terms and conditions of the proposed transaction, including the Business or the Assets proposed to be acquired, the obligations and liabilities to be assumed/excluded, the detailed structure of the transaction, the final Purchase Price or Investment Amount, and any other key economic terms expressed in Canadian dollars, together with all exhibits and schedules thereto, all applicable ancillary agreements with all exhibits and schedules thereto (or term sheets that describe the material terms and provisions of such ancillary agreements), and, if required, the proposed form of order(s) for the Court to consider in the motion to approve the transaction;
 - (d) it contains a detailed description of the Potential Bidder's experience and expertise in seafood processing and sales (if any);
 - (e) it provides specific statements concerning the intended treatment of employees, suppliers, customers, or any other stakeholder which the Trustee requests the Potential Bidder to specifically address;
 - (f) it provides that it is binding and irrevocable until closing of a transaction with a Successful Bidder;
 - (g) a detailed sources and uses schedule that identifies the amount of cash consideration/refinancing in respect to the Assets/Business;
 - (h) it includes a non-refundable cash deposit in the form of a wire transfer to an account to be specified by the Trustee in the amount of not less than twenty percent (20%) of the cash component of the final purchase price or investment amount which deposit shall be retained by the Trustee in a non-interest bearing trust account in accordance with this SISP;

- (i) it provides contact information (including an email address) for the Potential Bidder and discloses the identity of each entity (including its ultimate shareholders and/or sponsors) that is bidding for the Business and/or Assets or otherwise participating in the bid and the complete terms of any such participation;
- (j) it includes written evidence of a firm, irrevocable commitment for financing or other evidence of an ability to complete the proposed transaction(s) comprising the bid that will allow the Trustee to determine the Potential Bidder's financial and other capabilities to complete the proposed transaction;
- (k) it includes acknowledgments and representations of the Potential Bidder that:
 - (i) it has had an opportunity to conduct any and all due diligence regarding the Business and/or Assets, the Company, or otherwise, prior to making its bid;
 - (ii) it has relied solely upon its own independent review, investigation and/or inspection of the Business and/or Assets (including, without limitation, any documents in connection therewith) in making its bid; and
 - (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory, or otherwise, regarding the Business and/or Assets or the completeness of any information provided in connection therewith, except as expressly contemplated in any definitive documentation duly executed by the Successful Bidder and the Trustee and approved by the Court;
- (l) it includes written evidence, in form and substance reasonably satisfactory to the Trustee, of authorization and approval from the Potential Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the bid;
- (m) it specifies that the transaction is not subject to further due diligence;
- (n) it includes a description of any regulatory or other third-party approvals required to complete the proposed transaction, and the time within which the Potential Bidder expects to receive such regulatory and/or third-party approvals, and those actions the Potential Bidder will take to ensure receipt of such approvals as promptly as possible;
- (o) it includes a description of any desired arrangements with respect to transition services that may be required from the Company in connection with the transaction, including funding for same;
- (p) it is not subject to any conditions precedent except those that are customary in a transaction of that nature;
- (q) it is not conditional upon approval by the Court of any bid protection, such as a break-up fee, termination fee, expense reimbursement or similar type of payment;
- (r) it is received by the Trustee by the Bid Deadline; and
- (s) it contemplates closing on or before the Closing Date Deadline.

19. The Trustee may waive compliance with any one or more of the Bid Criteria and deem a non-compliant bid to have met the Bid Criteria.

Assessment of Qualified Bids

20. Promptly after the Bid Deadline, the Trustee:
- (a) will review and assess the bids received to determine whether they are Qualified Bids (the bidder of a Qualified Bid being referred to as a **"Qualified Bidder"**); and
 - (b) may request clarification of the terms of the bids.
21. The Trustee may negotiate amended, modified, or varied terms with a Qualified Bidder; however, the Trustee shall be under no obligation to negotiate identical terms with, or extend identical terms to, each Qualified Bidder.

Selection of Successful Bid(s)

22. The Trustee will review and evaluate each Qualified Bid, based upon several factors, including, without limitation, the transaction price and net value provided by the bid, the identity and circumstances of the Qualified Bidder, the ability of the Qualified Bidder to successfully complete the contemplated transaction(s), the proposed transaction documents, the effects of the bid on the stakeholders of the Company, factors affecting the speed and certainty of the transaction (including any approval or third party agreements), the Assets included in and excluded from the bid, any related restructuring costs, and the likelihood and timing of closing the transaction.
23. After reviewing and evaluating the Qualified Bids, the Trustee may identify the highest or otherwise best bid(s) (the **"Successful Bid(s)"**) for any Assets or the Business of the Company, in whole or part. The determination of any Successful Bid(s) (the bidder of a Successful Bid being referred to as a **"Successful Bidder(s)"**) is subject to approval by the Court.

Transaction Approval Motion Hearing (if required)

24. If required, at the hearing of the motion to approve the Successful Bid(s) (the **"Transaction Approval Hearing"**), the Trustee shall seek, among other things, approval from the Court to complete the transaction(s) contemplated by the Successful Bid(s).

Closing of Successful Bid(s)

25. The Trustee and the Successful Bidder(s) shall take all reasonable steps to complete the transactions(s) contemplated by the Successful Bids(s) as soon as possible after the Successful Bid(s) are approved by the Court (the **"Closing"**). All of the Qualified Bids other than the Successful Bid(s), if any, shall be deemed to be rejected from and after closing of the Successful Bid(s).

Confidentiality and Access to Information

26. No Interested Party, Potential Bidder and Qualified Bidder shall receive any confidential or competitive information that is not made generally available to all participants in the SISF.

27. No Interested Party, Potential Bidder and Qualified Bidder shall receive the details of any bid submitted or the details or existence of any confidential discussions or correspondence among the Trustee and any participant in connection with the SISP, except to the extent the Trustee is seeking to aggregate separate bids from Qualified Bidders.
28. The Trustee may facilitate discussions between a Qualified Bidder and a stakeholder or other third party, including in consideration of a contemplated condition. Any such meetings or other form of communications will take place on terms and conditions considered appropriate by the Trustee.

Supervision of the SISP

29. Subject to any consultation rights and other similar rights provided for herein, the Trustee will conduct the SISP in the manner set out herein. All discussions or enquiries regarding the SISP shall be directed to the Trustee.
30. ASCL and its principals, employees and professional advisors shall cooperate fully with the Trustee and provide documents and information requested as part of the SISP to the Trustee in a prompt fashion.
31. Other than as specifically set forth in a definitive agreement between the Trustee and a Successful Bidder, the SISP does not, and will not be interpreted to, create any contractual or other legal relationship among the Trustee, any Interested Party, Qualified Bidder, the Successful Bidder(s), or any other party.
32. The Trustee shall not be liable for any claim for a brokerage commission, finder's fee or like payment in respect of the completion of any of the transactions completed under the SISP. Any such claim shall be the sole liability of the bidder who completes a transaction under the SISP pursuant to which the claim is being made.

General

33. If a Successful Bidder breaches its obligations under the terms of the SISP, as determined by the Trustee, its deposit shall be forfeited as liquidated damages and not as a penalty.
34. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with their participation in the SISP, including the submission of any letter of intent or bid, due diligence activities, completion of a Successful Bid or actions whether or not they lead to the consummation of a transaction.
35. All bidders in the SISP (including Qualified Bidders and Successful Bidder(s)) shall be deemed to have consented to the exclusive jurisdiction of the Courts of the Province of Nova Scotia and to have waived any right to a jury trial with respect to any matter or dispute related to the SISP, including without limitation the qualification of bids, the construction and enforcement of the SISP, and Closing.

For greater certainty, any approvals required pursuant to the terms of the SISP are in addition to, and not in substitution for, any other approval required by the BIA or any other statute or as otherwise required at law in order to implement a Successful Bid.

J

2023 Hfx No. 45461
This is Exhibit "J" referred to in
the affidavit of Gavin
MacDonald affirmed before me
on June 24, 2024

A handwritten signature in blue ink, consisting of stylized, cursive letters, positioned above a horizontal line.

Signature

A. MEAGHAN KELLS
A Barrister of the Supreme
Court of Nova Scotia

CANADA
District of Nova Scotia
Division No. 01 – Halifax
Court No. 45461
Estate No. 51-2939212

In the Matter of the Bankruptcy of

ATLANTIC SEA CUCUMBER LTD.

of the Community of Hackett's Cove, of the Regional Municipality of Halifax,
in the Province of Nova Scotia

Minutes of the Second Meeting of Inspectors

Date of Meeting: May 30, 2024
Time: 3:00 pm Atlantic Time
Location: Via video conference

In Attendance: Sean MacNeil, of msi Spergel Inc., acting as the Trustee

Megan Taylor, Estate Inspector

Gavin MacDonald, Estate Inspector

Josh Santimaw, Bankrupt Estate's Legal Counsel

-
1. The meeting was called to order.
 2. The Trustee gave a verbal update on the status of the bankruptcy:
 - a. After having reviewed the independent legal opinion on the security of Atlantic Golden Age Holdings Inc. ("**AGAH**") with Marc Dunning, of Burchell Wickwire Bryson LLP, the Trustee released the estate's interest in the security to AGAH;
 - b. The Trustee understands that Gavin MacDonald on behalf of Weihai Haiyang Aquatic Food Co. Ltd. ("**WTH**") plans to file a motion for leave of the Court to challenge the debt and security of AGAH;
 - c. As Trustee we do not object to WTH seeking leave pursuant to section 38 of the *Bankruptcy and Insolvency Act* (BIA) to challenge AGAH's debt and security;
 - d. In the meantime, AGAH has proposed that the Trustee commence a Sales and Investor Solicitation Process ("**SISP**") including a stalking horse credit bid by AGAH;

- e. Atlantic Sea Cucumber Limited ("ASC") has filed an appeal of the bankruptcy order (Court of Appeal decision) to the Supreme Court of Canada;
- f. AGAH objects to the appointment of Gavin MacDonald as Inspector on the grounds that pursuant to section 116(2) of the BIA, WTH is now a party to this contested action; and
- g. The Trustee acknowledged that WTH objects to the appointment of Megan Taylor as Inspector unless she recused herself as counsel to AGAH.

3. A general discussion was held on the eligibility of the Inspectors:

Megan Taylor stated that she is employed with Recon LLP, not O'Keefe and Sullivan LLP. Mr. MacDonald's understanding was that Recon LLP and O'Keefe and Sullivan LLP were co-counsels, however, Ms. Taylor stated that neither Ms. Taylor and/or Recon LLP were listed as counsels on the Supreme Court appeal. Recon LLP and O'Keefe and Sullivan LLP were co-counsel but when the decision of the Court of Appeal was released, Recon LLP was removed as co-counsel.

Given the past history and despite Ms. Taylor's remarks, Mr. MacDonald wanted it noted for the record of his objection to her acting as an Inspector;

It is noted that both sides, AGAH and WTH object to the appointment of the other's legal counsel as Inspector.

4. The only matter for voting purposes today is the proposed SISP put forth by AGAH. A general discussion on the SISP was held:

The Trustee commented that in his opinion as Trustee, we think that a sales process may maximize the sale proceeds for all of the creditors, and the determination of the security of AGAH will be a matter for distribution of the sale proceeds.

Ms. Taylor comments that a sale process for the business allows for the assets to be sold together whereas if the assets were sold piecemeal, the licenses (fish buyers and processing) would have little value.

Mr. MacDonald asked the Trustee to clarify whether the Trustee recommends the sale process and noted that given Inspectors have a fiduciary duty to the general body of unsecured creditors, what benefit to the general body of unsecured creditors is there from a sales process given the Trustee's opinion that AGAH has valid debt and security, and that there is not going to be any cash available to unsecured creditors based on the valuation reported earlier in the proposal proceedings by the Trustee. Mr. MacDonald asked what is there in it for the unsecured body of creditors that the Inspectors represent?

The Trustee clarified that he recommends to the Inspectors that this sale process go forward. The Trustee believes that the SISP provides an opportunity to obtain a higher offer for the assets.

In the absence of a clear benefit to the general body of unsecured creditors, Mr. MacDonald doesn't agree with the proposed SISP.

Ms. Taylor interjected to say that there has already been a lot of money spent by AGAH and moving a sale process forward as opposed to delaying things is a practical solution. Delaying the process also complicated the licenses. The Department of Fisheries has agreed to step aside until a sale process can be completed.

Mr. MacDonald stated his opinion that in the absence of any evidence beyond the speculative value of the licenses and that the potential that a going concern sale might get more than the Trustee's previous liquidation analysis, the SISP does not seem to generate anything for the unsecured creditors, and therefore Mr. MacDonald can't support it.

Ms. Taylor stated that a sale of the assets together will provide an equal or better offer for the assets. Nevertheless, the unsecured creditors can still object to the outcome of the SISP. It is practical to run the SISP without further delay. The Trustee doesn't need to prove anything absolutely at this point. The SISP seems reasonable.

5. The Trustee called a vote on the SISP taking note of the objections.

Mr. MacDonald voted against.

Ms. Taylor voted in favour.

Pursuant to section 117(2) of the BIA, the Trustee resolved the tie and votes in favour.

RESOLVED - It was moved the Trustee proceed with the proposed SISP.

6. There being no further business to discuss, the meeting was adjourned.

Dated at Halifax, Nova Scotia this 30th day of May, 2024.



Sean MacNeil – Trustee