

District of: Ontario
Division No.: 35-1232404
Estate No.: 35-1232404

IN THE MATTER OF THE BANKRUPTCY OF:

Kids Link International Adoption Agency
DEBTOR

BDO Dunwoody Limited
TRUSTEE

ORDINARY ADMINISTRATION

Minutes of the First General Meeting of Creditors:

Date: July 30, 2009 Time: 9:30 am

Place: Holiday Inn, Kitchener, Ontario

Chairperson: Glenn Schmid Official Receiver: Glenn Schmid

ATTENDANCE

The attendance is recorded as per the attached list.

QUORUM

The chairperson examined the proof of notification, proofs of claim and established that a quorum was present.

CALL TO ORDER

The chairperson declared the meeting legally constituted and called the meeting to order.
Meeting recessed to allow creditors waiting in line by 9:30 to register and attend the meeting.

Meeting reconvened at 9:51 am.

Authority - Section 105 of the BIA

*Purpose - consider affairs of bankrupt - affirm appointment of trustee - appoint inspectors
- give directions to trustee*

*Table - assignment/receiving order - statement of affairs -trustee's affidavit of mailing
- proof of publication (was missed by trustee, but article dated July 22, 2009 was
published stated that a meeting will be scheduled, included time and date of meeting) - trustees
preliminary report*

ISSUE REGARDING MEDIA PRESENCE

The issue of whether the media would be allowed to attend the meeting of creditors was put forth to the creditors and a vote was held as to whether to admit the media into the meeting room. The vote was taken and the result was that the majority of the creditors in attendance voted to not allow the media to attend.

REPORT TO CREDITORS BY OFFICIAL RECEIVER

Official Receiver reported that he decided to not hold the 161 exam before this meeting, at this point there is no exam scheduled. Official Receiver is following the police investigation, and will proceed accordingly. Official Receiver did state that once the exam is conducted, it will be available to all creditors upon request. Trustee agreed to post notification on BDO website once exam has been completed and is available.

REPORT TO CREDITORS BY TRUSTEE

A copy of this report is attached.

Additional notes from trustee:

186 creditors signed in to the meeting, 416 were notified, 304 claims filed to date.
2 new claims in addition to the amounts on report (were filed after business hours yesterday or early today), the amounts of \$317,563 and \$175,217.

If police are looking for help with criminal charges, she will assist them if she can, but her main priority is to get money back for creditors.

Although creditors were told that money was held in trust, all monies were co-mingled, possibly making it complicated to establish those individual claims.

Gift from Yamana Gold Inc. will be held in a separate trust account, only for operating cost of home for the Children. The Children not in transition home, but in an orphanage were addressed (trustee is aware of the children, will ensure these families are considered).

Discussed possibility of re-structuring rather than Bankruptcy by filing a Proposal.

QUESTION PERIOD

What will happen to St. Anne?

St. Anne and Global Reach are two separate companies. There may be a bankruptcy of St. Anne to give trustee the legal right to deal with the files or an application to the court to say that she has custody of all the files and would like to release them to the families.

Can we re-vote with regards to media?

With regards to media being present at the meeting, the Office of the Superintendent of Bankruptcy does not speak to media, the trustee supports that. If not creditors are unhappy with the decision to keep media out, it can be appealed to the court.

What will happen with regards to the property home in Zambia?

The trustee doesn't have all details and will look into it.

Did the company have director liability insurance?

The trustee is checking into it.

Is Ethiopian Government supportive?

Yes.

Who will this new company be?

The potential participant wishes to remain anonymous for now, but will come forward once things are in place. The Ministry will oversee the administration of licences. Trustee will look into creating a group/team for feedback with regards to appointing a new company to take over Kids Link.

Who were the signing officers for the company?

Trustee provided names of signing officers for company.

What will happen to the remaining money?

The remaining funds are not in trust, but are held by the trustee for the creditors. There is a bank account in Ethiopia although there were no significant funds when the trustee intervened. The trustee will investigate money transfers in and out of this and other accounts.

Were there lump sum transfers in the month of June and March from the Ethiopian account?

Not that trustee saw, it's just from the Kids Link account

Who was in charge of those funds?

The executive director, 2 other officers were on the account.

Who negotiated the severance packages?

Severance package was negotiated by Susan Hayhow.

If agency re-opens, is it a plan that will sustain for 5-10 years or just to get the current files out?

Initially, the agency will be hired to work through the 375 files. It should take 12-24 months for the files to get completed.

Would new board continue to work with St. Anne's?

Yes.

What is the status of Hand of Mercy orphanage in Ghana?

Since the orphanage may not have valid status in Ghana, the children may be moved through the Ghanaian foster care system. Contrary to the Canadian Government's opinions, Hand of Mercy insists things are still fine.

Can parents adopt the children through the social welfare system in Ghana?

A Canadian licencee is required to proceed with this, the trustee will get more information.

What's the difference between referred and matched?

Matched - a child's name is already attached to family, and only things such as visas or medical letters are outstanding.

What happens to the company's previous liabilities if a proposal is accepted?

The debts do survive and creditors would still be able to go after the new organization for payment. Some families and corporations have offered to donate money; however, it will first need to be determined how much money is needed to keep the creditors satisfied and allow the company to continue to operate.

How is the trustee being compensated?

The trustee receives payment from funds being seized. The trustee reports to inspectors and to Court prior to collecting fees. She gets paid from money in trust and the additional money goes to creditors.

Can we get lists of the creditors?

The family names are confidential. Although creditors are usually listed individually on statutory documents, in this case they were grouped together rather than listing each individual creditor on the statutory document.

I have a unique situation. While in the process of adopting from Kids Link, a domestic adoption happened unexpectedly while our file at Ministry waiting for approval. Imagine refused to refund money that we'd already paid to them. We were told that if we agreed to leave the money in trust, we could resume the file once our first child was 9 months old.

The situation of every family that has paid money will be considered by the new agency (in the case of a proposal).

What will happen with the files that are still with the Ministry in Canada and have not yet left the country to be processed?

If a proposal is accepted, the new management group will address all existing files. Currently 35 files in Ontario, we are unsure how many are with other provinces. Deb Matthews has said that the Ministry will leave the name of the agency blank on the form, and the family will be able to fill in name of adoption agency once things are settled.

Can the Proposal be posted on website?

It will be part of the package sent out to Creditors. The trustee will post something on the website this weekend, although general, to inform creditors how things will proceed.

We have started a file with Imagine, but it has not yet been sent to the Ministry. We went to another agency, but they need access to this file before it expires to proceed.

If there are many requests to get individual files back, the trustee may regroup to see if creditors still want to move forward with Proposal.

Have referrals been made in Ethiopia without parents being notified (they are matched but unaware they are matched)?

There have been 13 visas issued, 8 or 9 Children travelled home last weekend. 13 more applications have moved forward. 5 or 6 visas were issued today. There are some families that may not have contacted because the paperwork has yet to be addressed (due to the complex issues that must be dealt with first). Although most referrals would have been mailed or emailed to the potential parents, in the turmoil there may be some further matches that have not yet been looked at.

If plan goes forward and families give more money, will money be used to pay creditors or go directly to the children?

It would definitely be spelled out what the money would be used for in the proposal.

Is there somewhere creditors can send potential people/resources to help with the plan (volunteering their time or money)?

BDO is trying to keep up with individual emails and offers, but the trustee would appreciate help to organize the offers. It would be greatly appreciated if someone could form a group and forward the information to the trustee. www.familieswithhope.org is a site where you can volunteer your help.

Can we access a list of families that have been referred?

During the referral process, as the Children become available, the orphanage tells agency, and the agency makes the matches here. Security of these 245 files is top notch. 95% of them are ready for referral reception. As for this list, each individual family that wishes to do so could give a release to BDO to authorize name be released to only themselves, not to everyone.

Can inspectors make decisions independently?

A majority vote of Inspectors is required before a decision is made with regards to the estate..

Can Ted represent everyone as a lawyer?

It will be discussed in the Inspector's meeting.

AFFIRMATION OF APPOINTMENT OR SUBSTITUTION

A motion to affirm the appointment of the trustee is:

Moved by: Jason Humeniuk

Seconded by: Ellen Kalis

The motion to affirm the appointment of the trustee is carried, not one person opposed.

APPOINTMENT OF INSPECTORS

The following inspectors are nominated for appointment:

Name: Jason Humeniuk Representing: Western Region Creditors

Phone: Fax:

Email:

Name: Julie Stewart Representing: Atlantic Region Creditors

Phone:

Email:

Name: Lianne Armstrong Representing:

Phone: Fax:

Email:

Name: Jo Anne Barber Representing:

Phone: Fax: n/a

Email:

Name: Bernadette Quemerais Representing:

Phone: Work Phone:

Email:

MOTION TO APPOINT NOMINATED INSPECTORS

Moved by: Ingrid Phaneuf Seconded by: Amina Mohamed

Motion accepted by majority of creditors by vote

CREDITOR OBJECTIONS

None.

TRUSTEE INSTRUCTIONS

The trustee will proceed to draft a Proposal to be put forth to the creditors.

SECURITY

The security set by the Official Receiver is Nil.

OTHER BUSINESS

Organize a lunch for everyone (instigated by steering committee).

ADJOURNMENT

There being no further business, the meeting is adjourned. Time: 12:04 pm.

Moved: Cheshmak Sims Seconded: Karen Black

Motion accepted by majority of creditors by vote.

Glenn Schmid

Chairperson

451 Talbot Street, Room 303, London, Ontario N6A 5C9 (519) 645-4034

Attendance List

Date: _____

Estate Number: _____

Debtor & Representatives:

Family names are confidential

Trustee & Representative:

Official Receiver:
