

Province of Ontario
Division No.: 33-Ottawa
Court No.: 33-3075448
Estate No. : 33-3075448

**IN THE MATTER OF THE BANKRUPTCY OF
AVCTECHNOLOGIES CANADA LTD.
OF THE CITY OF OTTAWA,
IN THE PROVINCE OF ONTARIO**

Minutes of First Meeting of Creditors

The first meeting of creditors for the above-named debtor was held on the 16th day of May, 2024 at 1:00 PM at the Trustee's office located at 1220 Eglinton Avenue West, Toronto, ON and Via Zoom.

The meeting was Chaired by Richard Goldhar, CIRP, LIT. Parneet Singh from the Trustee's office acted as Secretary for the meeting.

1. Participants Present for the Meeting:

Name	Representing	Presence
Richard Goldhar	Trustee and Chair for the meeting	Zoom Video Conference
Parneet Singh	Trustee's staff and Secretary for the meeting	Zoom Video Conference
Charles Sweet	Director of Debtor Corporation	Zoom Video Conference
Thomas King	AVCTechnologies Canada Ltd.	Zoom Video Conference
David Bass	Counsel for AVC Technologies (US)	Zoom Video Conference

2. The secretary completed the roll call for all participants present for the meeting.

3. The Chairperson outlined his authority under Section 105(1) of the Bankruptcy and Insolvency Act (BIA):

"The official receiver or his nominee shall be the Chairperson at the first meeting of the creditors and shall decide any questions or disputes arising at the meeting and from any such decision any creditor may appeal to the court".

4. The Chairperson tabled the following documents:

- i) The Assignment
- ii) The sworn Statement of Affairs of the debtor
- iii) The Official Receiver's Certificate of Appointment
- iv) Notice of Bankruptcy in Local Paper
- v) Trustee's Preliminary Report (Attached as Appendix "A")
- vi) The Affidavit of the mailing of the Notice regarding calling the First Meeting of Creditors and notification to the officer/director of the corporation and notice of bankruptcy in the local paper.

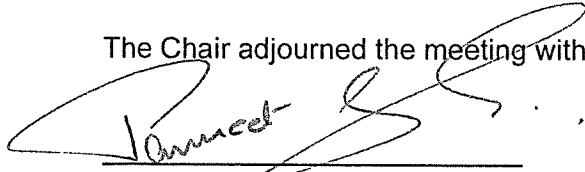
5. The Chair declared that no quorum could be established as there were no unsecured creditors present either in person or by proxy at the meeting.

6. As a result of no quorum, the Chair declared that pursuant to section 106(2) of the BIA:

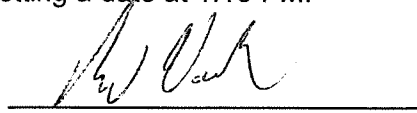
- a) The appointment of the Trustee is deemed to be confirmed; and
- b) The meeting is adjourned *sine die*

7. **ADJOURNMENT OR CLOSING OF MEETING**

The Chair adjourned the meeting without setting a date at 1:10 PM.



Parneet Singh, Secretary



Richard Goldhar, Chairman

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TRUSTEE'S PRELIMINARY REPORT

AVCTechnologies Canada Ltd. (the “Debtor” or the “Bankrupt”) made an assignment in bankruptcy on the 2nd day of May, 2024.

Goldhar & Associates Ltd. (the “Trustee”) has been appointed by the Office of Superintendent of Bankruptcy as the trustee of the estate of the bankrupt subject to affirmation by the creditors at the first meeting of creditors.

The first meeting of creditors will be held on May 16, 2024 at 1:00 PM at the Trustee’s office located at 1220 Eglinton Ave. W., Toronto, ON and Via Zoom

The statement of affairs, enclosed with the creditors’ package, provides details on the current financial position of the Debtor, and lists the assets and liabilities of the Debtor.

The Trustee in this report provides its findings re the affairs of the Bankrupt and seeks instructions from creditors or inspectors, if appointed, on certain matters.

To vote at the creditors meeting or to participate in any dividend distributions, creditors must submit to the Trustee a properly completed proof of claim, together with a Statement of Account attached thereto as Schedule “A” (collectively referred to as the “Claim”).

Filing your Claim provides us with notice of any disagreement you may have with respect to the amount reported due to you in the attached documents. The completed Claim can be delivered to the Trustee’s office by mail, courier, facsimile, electronic mail, or in person.

Creditors are encouraged to attend the creditors meeting. Creditors can also appoint a person to represent them at the creditors’ meeting by submitting a properly completed proxy form with the proof of claim form. All corporations must name a proxy.

❖ **Limitation**

The information in this report is provided to assist the creditors in evaluating the affairs of the Bankrupt corporation. The Trustee has relied on the recent draft financial statements, compiled by the management of the Bankrupt corporation and discussions with management. The financial information is as provided by the Bankrupt corporation and is neither reviewed nor audited by the Trustee and the Trustee is not expressing an opinion with respect to the validity, accuracy or the reliability of the information contained herein.

Please note that any creditor/stakeholder relying on the information contained herein should do so at their sole discretion.

A. Background

AVCTechnologies Canada Ltd was incorporated in British Columbia having its registered office at 666 Burrard St. Vancouver, BC. The Debtor was formerly operating from leased premises located at 500 Paladium Dr., Ottawa, Ontario. Based on the location of Debtor's operations during the one year prior to the initial bankruptcy event, the locality of the Debtor for the purpose of filing the bankruptcy proceedings was determined to be Ontario.

The Debtor is a wholly owned subsidiary of AVCTechnologies USA, Inc., which is owned by American Virtual Cloud Technologies Inc. ("AVCT") based out of the United States ("USA").

The Debtor was engaged in information technology services regarding cloud based communications and housed employees that were providing services to the Debtor's parent entity based out of the USA. The Debtor did not have any revenue and the operations were being funded by the parent entity which is the only known creditor of the corporation.

The details of the officer/director and shareholder of the corporation are set out below :

Name	Director	Shareholder
Charles Sweet	Yes	No

B. Causes of Insolvency

The cause of bankruptcy as advised by the president of the Bankrupt corporation are noted below and has not been verified by the Trustee for validity or accuracy.

The Debtor's holding company in the USA, AVCT, acquired the Kandy Communications LLC business from Ribbon Communications, Inc. and certain of its affiliates (collectively, the "Ribbon Parties"), in December 2020. Pursuant to the acquisition, the holding company decided to focus its strategy on acquisitions and organic growth in its cloud technologies business. The Kandy platform was the primary source of income for the Debtor's holding company, however, AVCT was unable to operate profitably as a going concern and filed a chapter 11 liquidating plan in the United States in January 2023.

The parent company's filing also included the business of the Debtor and the Debtor ceased operations in March 2023.

C. Operations

The Debtor ceased operations in March, 2023.

D. The Trustee's Duties under Section 16(3) of the Bankruptcy and Insolvency Act

❖ Leased Premises and Equipment

The Debtor does not have any leased premises or equipment at the date of bankruptcy.

❖ Owned Assets

The assets of the company were sold via the Asset Purchase Agreement dated February 14, 2023 as a part of Chapter 11 Plan of Liquidation for AVCT, the Debtor's holding company.

The Combined Disclosure Statement and Chapter 11 Plan of Liquidation for the USA based holding company was confirmed by the United States Bankruptcy Court for the District of Delaware on May 23, 2023 and the plan became effective on May 30, 2023.

The Debtor did not have any assets at the date of bankruptcy.

❖ Books and Records

The officer of the Bankrupt Corporation has advised that the Debtor did not file any corporate income Ttx returns or any HST returns.

The officer of the Bankrupt corporation has advised that to the best of his knowledge there are no arrears of HST or employee source deductions with CRA at the date of bankruptcy. A notice of bankruptcy has been provided to the CRA.

The Trustee, at this time, does not have in its possession the entire accounting and bookkeeping backup for prior years, including bank statements and cancelled cheques, or copies of past returns filed, as sought by the Trustee. However, the officers of the Debtor have indicated they will extend the necessary support and cooperation to the Trustee in providing access to available records of the corporation, as required and/or assisting in completing any pending tax returns or assisting with providing any information as may be required by the CRA or other creditor.

❖ Receivables

There are no receivables at the date of bankruptcy.

❖ Other Assets

The Debtor does not have any other assets.

E. Employees

As advised by the officer of the Bankrupt corporation, the Debtor did not have any employees during the six months prior to the date of filing for bankruptcy.

The dues of the former employees were settled as part of the Chapter 11 plan approved in the United States and the former employees provided a release upon acceptance of the settlement.

The Trustee does not expect to be administering WEPP.

F. Legal Proceedings

There is no active litigation wherein the Bankrupt corporation is involved as a defendant or plaintiff.

G. Conservatory and Protective Measures

There are no assets available with the corporation at the date of bankruptcy.

H. Provable Claims

The Trustee sent out the Notice of Bankruptcy and the First Meeting of Creditors on May 2, 2024, to all known creditors of the Bankrupt corporation, through email, fax, or regular mail, as per the details provided by the Debtor.

The claims of creditors as per the Debtor's sworn Statement of Affairs ("SOA"), and the claims received by the Trustee as of 1:00 PM, May 16, 2024, are summarized below.

Creditors Group	Statement of Affairs		Claim as Filed	
	No. of Creditors	Value (\$)	No. of Creditors	Value (\$)
Unsecured Creditors	6	27,700,004.00	--	--
Preferred Creditors	--	--	--	--
Secured Creditors	--	--	--	--
Total	6	27,700,004.00	-	-

Note : The Trustee is not aware of any Deemed Trust Claim or a preferred claim at this time.

I. Secured Creditors

As per the British Columbia Personal Property Registry search conducted by the Trustee on February 1, 2024, there are no registered liens against the Bankrupt Corporation.

J. Anticipated Realizations and Projected Distributions

The Trustee does not expect any distribution for any creditors.

K. Reviewable Transactions and Preference Payments

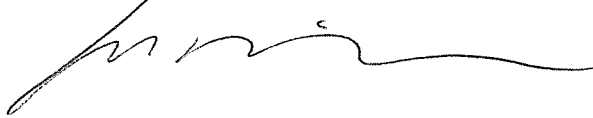
The Trustee has not conducted a detailed review of the books and records of the Bankrupt to determine the extent, if any, of any preferences or transactions at undervalue. Also, there are no funds in the estate to cover the costs associated with a detailed investigation and the creditors are advised that per Sec. 38 of the Bankruptcy and Insolvency Act, the creditors may obtain an order from the court authorizing them to take over the proceeding in their own name and their own expense and risk.

L. Other Matters

- American Virtual Cloud Technologies Inc. retained the services of Goldhar consulting and Tax Solutions Inc. and paid a professional fees of \$18,000 plus HST on January 22, 0224. This was also reported by the Trustee on the Estate Information Summary submitted to the Official Receiver at the time of initial filing.
- Documents related to the bankruptcy of Debtor are available on the Trustee's website at <https://www.Goldhar.ca/corporate-engagements/>.
- On May 7, 2024, a newspaper advertisement was placed in the Financial Post newspaper, informing creditors of the bankruptcy of the Bankrupt Corporation, and advising of the date and time of the first meeting of creditors.

Dated at the City of Toronto in the Province of Ontario, this 15th day of May, 2024

Goldhar & Associated Ltd. – Licensed Insolvency Trustee
Trustee of the estate of
AVCTechnologies Canada Ltd., a Bankrupt
And not in personal or corporate capacity



Per: Joel Kideckel, CIRP, LIT

Claims Register

<i>Creditor Name</i>	<i>Proof of Claim?</i>	<i>Claim Status</i>	<i>Rank / Class</i>	<i>SOA Amount</i>	<i>Amount Filed</i>	<i>Admitted for Dividend</i>
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Total :

Grand Total: