

District of Ontario
Division No. 9 - Toronto
Court No.: 31-2531802
Estate No.: 31-2531802

**IN THE MATTER OF THE PROPOSAL OF
PRAIRIE PLUMBING & HEATING LIMITED
OF THE CITY OF OSHAWA, IN THE PROVINCE OF ONTARIO**

To: The Creditors of Prairie Plumbing & Heating Limited

Prairie Plumbing & Heating Limited (“**Prairie**” or the “**Company**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) under Division I, Part III, of the Bankruptcy and Insolvency Act (“**BIA**”) on July 8, 2019 (the “**NOI Filing Date**”) and Link & Associates Inc. consented to act as the Trustee under the Proposal (the “**Proposal Trustee**”).

On August 7, 2019, Prairie filed a proposal (the “**Proposal**”) with the Office of the Superintendent of Bankruptcy. The Proposal Trustee hereby provides the creditors with the following documents:

- Notice of Proposal to Creditors calling a meeting of creditors for August 28, 2019.
- Certificate of Filing of a Proposal.
- A copy of the Proposal dated and filed August 7, 2019.
- Statement of Affairs.
- Proof of claim, proxy, and voting letter.

Meeting of Creditors

A meeting of creditors will be held on August 28, 2019, at 10:00 am at the offices of the Proposal Trustee, Link & Associates Inc., 77 King Street West, Suite 3000, Toronto, Ontario, M5G 1K8, to consider the Proposal.

The Proposal to the Unsecured Creditors

The Proposal offers payment of up to \$100,000 to the Unsecured Creditors, to be shared pro-rata.

The term Unsecured Creditor is defined in the Proposal “*as any Person having one of more Claim of an Ordinary Unsecured Creditor or Preferred Creditor*”, both of which are defined in the Proposal.

The amount distributed to each Unsecured Creditor will depend on the total claims filed and being conclusively valued and admitted.

The amount owing to the Unsecured Creditors as at the NOI Filing Date is approximately \$1,462,000 (excluding the unsecured portion of any secured claims). However, this

amount is anticipated to reduce to approximately \$800,000 after accounting for Project Claims (as defined in the Proposal).

Unsecured Creditors must file a completed proof of claim form prior to the commencement of the meeting to be eligible to vote. Unsecured Creditors may vote in person at the meeting or by voting letter submitted to the Proposal Trustee prior to the meeting.

The Proposal offers a meaningful recovery to the Unsecured Creditors which is otherwise not expected to be available in a bankruptcy due to the amounts owed to the Company's secured creditors.

Secured Creditors

Prairie has several secured creditors (the "**Secured Creditors**") as listed on the Statement of Affairs, which collectively are owed approximately \$1,337,000.

This Proposal is not being made to the Secured Creditors. All Secured Creditors shall be paid in accordance with existing arrangements, or as may otherwise be agreed between the Company and its Secured Creditors.

It is important to note that there has been no legal opinion obtained on the validity and enforceability of any of the security granted by the Company to any party at this time. In the event any party listed as a Secured Creditor has invalid, defective or unenforceable security, surrenders its security, or for any other reason is not a Secured Creditor, the quantum of claims of Unsecured Creditors may increase.

Trustee's Preliminary Report to the Creditors

The report of the Proposal Trustee will be distributed to the creditors in a separate mailing at least 10 days prior to the meeting of creditors. The report will address the state of Prairie's business and financial affairs and the recommendation of the Proposal Trustee.

DATED at Toronto, Ontario this 9th day of August, 2019.

LINK & ASSOCIATES INC.

Proposal Trustee in re
Prairie Plumbing & Heating Limited

Per:  Robert G. Link, CIRP, LIT

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Encl.