

Neguac historical society placed in bankruptcy

Debt Contractor forces move after bill wasn't paid for work on the Otho Robichaud House

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NEGUAC — The troubled Societe Historique de Neguac (Neguac Historical Society) is no more, after a contractor owed more than \$100,000 applied to have it placed into bankruptcy.

'It's regrettable, I'd say, more than anything else that there was ... nothing else that was to do," Pierre Godin said Monday.

Godin, owner of Neguac construction company Godin Venture did \$103,000 worth of work on Otho Robichaud Historical Site last summer, but has yet to be paid for any of it. At least one other contractor emerged as a debtor last summer.

The bankruptcy order was signed at the end of June.

The Societe Historique de Neguac has been plagued with controversy in recent years, with infighting over who exactly owned the old house on the property. Last summer, two feuding groups of directors were claiming to be the true society, and Godin and other contractors were having trouble getting either faction to sign their cheques.

"When it's insoluble, it means that nobody was taking care of the business, the committee wasn't taking action' Godin said.

He said the \$103,000 he is owed is significant, although it has not crippled his business

"We've been doing OK. We had to refinance, there, but we survived,"he said. He said he expected to get back around 80 cents on the dollar after the bankruptcy proceedings are completed and the money is paid out.

"Which is half-bad, compared to, like, a normal bankruptcy, he said, noting the usual rate of return can be as low as five to 15 cents on the dollar.

He said he has not spoken to either of the two individuals claiming to be the president of the society, Celine Painchaud and Edouard Savoie.

A message left at Painchaud's house was not returned before press time, and Regis Robichaud, a Neguac village councillor who has spoken for Savoie's group in the past said he was no longer involved with the society.

The village has a contract with the society dating back to 1996, when the site began

to be developed.

Now that the society is bankrupt, village administrator Denis Bujold said he could not comment on whether the village would take over the property. However, he said the village asked its lawyer in May to look into a clause in the 1996 agreement permitting the village to take the title of the site under certain circumstances. His legal opinion is expected to come to council soon.

"There was no movement at all, Bujold said." I mean, summer was coming up and there was no action, nothing at all, so council decided to ask our lawyer to look at that option there."

He said the lawyer tried to contact Painchaud and Savoie, but he did not know if the attempt was successful.

"We don't know what's going to happen with the house, or the society, but it's in the hands of the (trustee) from Moncton, he said, referring to PricewaterhouseCoopers, which oversees the bankrupt society. Randolph Jones, a bankruptcy worker with the firm, said Monday \$52,000 has been obtained from the local Caisse Populaire, and the province reported Tuesday that \$115,000 was passed to the firm.

Jones said it was still too early to tell how many of the claims against the society are likely to be fulfilled.

"I haven't received any claims yet, so I'll only be able to sort those out when I actually get the claims," he said, adding there is a creditors' meeting scheduled for July 27. He hoped to have that sorted out by mid-September, after which the society will have no more assets.

He said it was unlikely anyone would apply to discharge the society from bankruptcy, which can only happen if its debts are paid in full.

"If the factions involved couldn't resolve their difference where there was assets, I find it hard to believe they could resolve their disputes when there are no assets, the only assets being the house," he said. "Which may revert back to the municipality of Neguac"

He said this bankruptcy was unusual, as there are no secured creditors and the society was a not-for-profit organisation in charge of historical site.

Aside from some funds given out by the Wellness, Culture and Sport Department, the Regional Development Corporation reported Monday it had granted more than \$100,000 to the society last summer.

Another \$120,000 or so was earmarked for a second phase of work, although spokesman Bruce MacFarlane said that was held back due to the ongoing dispute between the two factions, which he said turned out to be a "wise move."

"We were trying to resolve the issue, and unfortunately a lot of people got caught ... in the middle of it, all the contractors," he said.

"We couldn't pay the contractors because we didn't have a signed agreement with them. We're not the project manager, and that has to be clear ... the group was."

Miramichi Bay-Neguac MLA Carmel Robichaud said the situation was "very sad."

"I think there is a lack of responsibility from either group to bring this forward to a conclusion, because the money was there to pay the creditors; she said.

"In a small community, you have to work together ... whether the group is right or wrong, people who did the work ...have to get paid."

She said she tried often to help the two groups come to a solution, but it didn't work out.

When asked if the government money put into restoring the site was a wise investment, Robichaud did not answer the question directly, saying only that tourists did visit the site last summer.

"It is a beautiful site, we need to move forward."

Historian Ken Breau, a co-founder of Association Histoire de Chez Nous, said the whole affair had given the village a bad name.

"People outside the area, every time the Robichaud site or Neguac comes up, it's a joke", he said."People just say 'Oh, there they go again'. "

He said various levels of government dropped the ball on the site for many years, from area MLAs, who represent the government funding sources, to the village, which could have exerted some kind of influence through its zoning by laws, to Service New Brunswick, which claimed last year it could not get involved in the fight between the factions. As for the society itself, he said it was always a closed group, which he said should have sold memberships to the public at large.

His own organization, he said, does just that and manages to get by with only \$1,000 in annual grants from the government.

He said if management of the house at the Robichaud site was offered to his group, he would refuse and he said he hoped the membership would do the same.

"There's nothing there to sell to the tourists because it's been totally destroyed," he said."The heritage part of the building is gone, there's been so much controversy, it's just one big black mark."