

FORCE FILED

No. B-240477
VANCOUVER REGISTRY



**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

Between:

STELLEX POWER LINE OPCO LLC AND 1501841 B.C. LTD.

PETITIONERS

And:

ROKSTAD HOLDINGS CORPORATION, ROKSTAD POWER (2018) LTD., ROKSTAD
POWER CONSTRUCTION SERVICES LTD., ROKSTAD POWER TRANSMISSION
SERVICES LTD., ROKSTAD POWER (PRAIRIES) LTD., GOLDEN EARS PAINTING &
SANDBLASTING (2018) LTD., PLOWE POWER SYSTEMS (2018) LTD., ROKSTAD
POWER (EAST), INC., ROKSTAD POWER INC. AND ROK AIR, LLC

RESPONDENTS

SUPPLEMENTAL NOTICE OF APPLICATION

Name of applicant: FTI Consulting Canada Inc. as Receiver (“**FTI**” or, the “**Receiver**”) of Rokstad Holdings Corporation, Rokstad Power (2018) Ltd., Rokstad Power Construction Services Ltd, Rokstad Power Transmission Services Ltd., Rokstad Power (Prairies) Ltd., Golden Ears Painting and Sandblasting (2018) Ltd., Plowe Power Systems (2018) Ltd, Rokstad Power (East), Inc., Rokstad Power Inc., and Rok Air, LLC (collectively, the “**Debtors**”)

To: THE SERVICE LIST

TAKE NOTICE that an application will be made by the Receiver to the Honourable Justice Loo at the courthouse at 800 Smithe Street, Vancouver, British Columbia, on January 31, 2025 at 10:00 a.m. for the order set out in Part 1 below.

The Receiver estimates that the application will take 10 minutes.

- This matter is within the jurisdiction of an associate judge.
- This matter is not within the jurisdiction of an associate judge.

Part 1: ORDERS SOUGHT

1. An Order substantially in the form attached at **Schedule “A”** hereto (the “**Order**”):
 - (a) confirming that service of this Notice of Application has been made on all interested parties and abridging the time of service to the date of actual service;

- (b) increasing the Receiver's borrowing limit (the "**Borrowing Limit**") from US\$15 million to US\$19 million and granting a corresponding increase to the Receiver's Borrowings Charge (as defined in paragraph 23 of the Order of the Honourable Justice Loo, granted November 6, 2024, the "**Receivership Order**"); and
- (c) granting such further and other relief as counsel may request and this Honourable Court may deem just.

Part 2: FACTUAL BASIS

2. The Debtors are a related group of privately held corporations that provide power line construction and maintenance and sandblasting and painting services in Canada and the United States.

3. On November 6, 2024, the Receiver was appointed as receiver and manager of all assets, undertakings and property of the Debtors, including all proceeds thereof, pursuant to the Receivership Order.

4. Since its appointment, the Receiver has continued to operate the business of the Debtors in the normal course, with a view to completing a sale of the business, or substantially all of the business, on a going concern basis.

5. The sales and investment solicitation process previously approved by this Honourable Court has concluded and the Receiver has filed a Notice of Application (the "**AVO Application**") seeking, among other things, three Approval and Vesting Orders to convey substantially all of the Debtor's Property and Business to third party purchasers. The AVO Application is scheduled to be heard concurrently with this Supplemental Notice of Application on January 31, 2025. The transactions subject to the AVO Application (if approved) are expected to close on or about February 13, 2025.

6. The Receivership Order, among other things, authorizes and empowers the Receiver to borrow such monies from time to time as it considers necessary or desirable from the Debtors' secured lender, provided that the outstanding principal amount of such borrowings does not exceed US\$5 million, or such greater amount as the Court may authorize by further Order. Since the granting of the Receivership Order, this Court has increased the Borrowing Limit on three separate

occasions – first, on December 4, 2024 to US\$8 million; second, on December 13, 2024 to US \$12 million and finally on December 19, 2024 to US\$15 million.

7. At present, the Receiver has borrowed US\$13 million to fund the Debtors’ ongoing operations, including payroll, trade payables, and other normal course business expenses. The Receiver is seeking an increase of US\$4 million to the Borrowing Limit (to US\$19 million) in order to permit for payment of certain outstanding arrears that: (a) are necessary to maintain critical client relationships; (b) permit the Debtors to access ongoing business from certain clients; and (c) minimize the risk of lien filings on certain U.S. projects that could be devastating to the ongoing customer relationship.

Part 3: LEGAL BASIS

8. Section 243(1) of the *Bankruptcy and Insolvency Act* allows a court to appoint a receiver to, among other things, “take any action that the court considers advisable.” This provision has been interpreted by Courts to give judges the broadest possible mandate in insolvency proceedings to enable them to react to any circumstances that may arise in relation to court-ordered receiverships, including by authorizing borrowings by receivers.

Bankruptcy and Insolvency Act, RSC 1985, c B-3 (“BIA”) at s.243(1)

DGDP-BC Holdings Ltd. v. Third Eye Capital Corporation, 2021 ABCA 226 at para 20

KEB Hana Bank as Trustee et al. v. Mizrahi Commercial (The One) LP et al., 2023 ONSC 5881
at paras 54-55

9. Paragraph 23 of the Receivership Order provides that the Borrowing Limit may be increased if authorized by further order of the Court.

Receivership Order para 23

10. Courts routinely increase a receiver’s authorized borrowing limit in circumstances where such increase is necessary to fund business and/or receivership expenses for the benefit of the debtor’s estate. To date, this Honourable Court has increased the Borrowing Limit on three occasions in the receivership to the current US\$15 million Borrowing Limit.

Leslie & Irene Dube Roundation Inc. v. P218 Enterprises Ltd., 2014 BCSC 1855 at paras 48-52

BCIMC Construction Fund Corporation v. 33 Yorkville Residences Inc., CV-20-00637297-00CL (Endorsement of Conway J. dated October 9, 2020)¹

Supplemental Fourth Report at para

11. To maintain certain critical customer relationships and minimize the risk of lien filings on specific U.S. projects, the Receiver requires an increase in the Borrowing Limit to US\$19 million to allow it to pay certain outstanding arrears due and owing to certain customers and to vendors/suppliers of the Debtors on certain customer projects. Maintenance of these key customer relationships is key, particularly in light of the immediacy of closing of the transactions subject to the AVO Application (if approved by this Honourable Court). Any interruption to the Debtors key customer relationships at this time would likely result in significant value deterioration.

Supplemental Fourth Report at para

12. The secured lender has consented to the increase in the Borrowing Limit and had agreed to make the funds available to the Receiver should the increase to the Borrowing Limit be approved by the Court.

Supplemental Fourth Report at para

Part 4: MATERIAL TO BE RELIED ON

1. The Receiver's Supplemental Fourth Report to the Court, dated January 30, 2025;
2. The Receiver's Fourth Report to the Court, dated January 21, 2025;
3. the pleadings filed in this proceeding; and
4. such further material as counsel may advise and this Honourable Court may permit.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of application or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application,

- (a) file an application response in Form 33,

¹ https://www.pwc.com/ca/en/car/33yorkville/assets/33yorkville-094_101220.pdf

- (b) file the original of every affidavit, and of every other document, that
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
 - (i) a copy of the filed application response;
 - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
 - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7 (9).

Dated: January 30, 2025



Signature of lawyer for the Receiver
Mary Butter, K.C. / Emily Paplawski

To be completed by the court only:

Order made

in the terms requested in paragraphs of Part 1 of this notice of application

with the following variations and additional terms:

.....

Date:[dd/mmm/yyyy].....

.....
 Signature of Judge Master

THIS APPLICATION INVOLVES THE FOLLOWING:

- discovery: comply with demand for documents
- discovery: production of additional documents
- other matters concerning document discovery
- extend oral discovery
- other matter concerning oral discovery
- amend pleadings
- add/change parties
- summary judgment
- summary trial
- service
- mediation
- adjournments
- proceedings at trial
- case plan orders: amend
- case plan orders: other
- experts
- none of the above

Schedule "A"

IN THE SUPREME COURT OF BRITISH COLUMBIA

Between:

STELLEX POWER LINE OPCO LLC AND 1501841 B.C. LTD.

PETITIONERS

And:

ROKSTAD HOLDINGS CORPORATION, ROKSTAD POWER (2018) LTD., ROKSTAD
POWER CONSTRUCTION SERVICES LTD., ROKSTAD POWER TRANSMISSION
SERVICES LTD., ROKSTAD POWER (PRAIRIES) LTD., GOLDEN EARS PAINTING &
SANDBLASTING (2018) LTD., PLOWE POWER SYSTEMS (2018) LTD., ROKSTAD
POWER (EAST), INC., ROKSTAD POWER INC. AND ROK AIR, LLC

RESPONDENTS

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE)
JUSTICE LOO) January 31, 2025
)

THE APPLICATION of FTI Consulting Canada Inc. as receiver and manager (the “**Receiver**”) of Rokstad Holdings Corporation, Rokstad Power (2018) Ltd., Rokstad Power Construction Services Ltd., Rokstad Power Transmission Services Ltd., Rokstad Power (Prairies) Ltd., Golden Ears Painting and Sandblasting (2018) Ltd., Plowe Power Systems (2018) Ltd., Rokstad Power (East), Inc., Rokstad Power Inc., and Rok Air, LLC (collectively, the “**Debtors**”) coming on for hearing at Vancouver, British Columbia, on the 31st day of January, 2025; AND ON HEARING Mary Buttery, K.C. counsel for the Receiver and those other counsel listed on Schedule “A” hereto; AND UPON READING the material filed, including the Supplemental Fourth Report of the Receiver filed January 30, 2025; AND UPON REVIEWING the Order made after Petition Appointment of Receiver of the Honourable Justice Loo, granted November 6, 2024 (the “**Receivership Order**”); THIS COURT ORDERS AND DECLARES THAT:

SERVICE

1. The time for service of this Notice of Application and supporting materials is hereby abridged such that the Notice of Application is properly returnable today and service thereof upon any interested party other than those parties on the Service List established in this proceeding is hereby dispensed with.

RECEIVER BORROWINGS

2. Paragraph 23 of the Receivership Order is hereby amended by replacing the existing reference to US\$15 million with US\$19 million such that, after giving effect to such amendment, paragraph 23 of the Receivership Order shall provide as follows:

The Receiver is authorized and empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable from the Debtors' existing secured lenders Stellex Power Line Opco LLC and 1501841 B.C. Ltd. provided that the outstanding principal amount does not exceed US\$19 million (or such greater amount as this Court may by further Order authorize) at any time at such rate or rates of interest as the Receiver deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

3. Endorsement of this Order by counsel appearing on this application other than counsel for the Receiver is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Mary Butter, K.C.
Counsel for the Receiver

BY THE COURT

REGISTRAR IN BANKRUPTCY

SCHEDULE "A"

Appearance List

NAME	APPEARING FOR