

This is the 2<sup>nd</sup> Affidavit of  
Irina Krasik in this case  
and was made on  
October 25, 2024

Action 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., AND PLOWE POWER SYSTEMS (2018) LTD.

RESPONDENTS

**AFFIDAVIT**

I, Irina Krasik, a Managing Director of Stellex Capital Management, with an office at 900 Third Avenue, 25th Floor, New York, New York, AFFIRM THAT:

**INTRODUCTION**

1. I am a director of Stellex Power Line Opco LLC and 1501841 B.C. Ltd. (together, "**Stellex**"), which are sister companies beneficially owned by Stellex Capital Management, and, as such, have personal knowledge of the matters deposed to in this affidavit, except where I depose to a matter based on information from an informant I identify, in which case I am informed and believe that both the information from the informant and the resulting statement are true.

2. I made an affidavit in this proceeding on October 10, 2024 (my "**First Affidavit**") in support of an application by Stellex for the appointment of an interim receiver. I make this affidavit in support of an application by Stellex for the appointment of a permanent receiver over the respondents, referred to in my First Affidavit as "**Rokstad Canada**", and their affiliates, Rokstad Power (East), Inc., Rokstad Power Inc., and Rok Air, LLC. ("**Rokstad USA**" and, collectively with

Rokstad Canada, the "**Rokstad Group**"). Capitalized terms not otherwise defined in this affidavit have the meanings ascribed to them in my First Affidavit. References to currency in this affidavit are to United States dollars unless otherwise stated.

### **THE PURCHASED INDEBTEDNESS AND SECURITY**

3. As discussed in my First Affidavit, Stellex is the senior secured lender to the respondents, being owed more than US \$34 million. Stellex's comprehensive security package covers substantially all the Rokstad Group's assets. Stellex acquired its security position on October 7, 2024 from CWB pursuant to the CWB Debt Agreement. The credit, security, and related loan documents comprising the Purchased Indebtedness and Security acquired by Stellex from CWB are attached to Affidavit #1 of Joanne Austen.

4. The Purchased Indebtedness and Security that Stellex acquired from CWB has been in default for more than two years. Prior to Stellex's acquisition of the Purchased Indebtedness and Security, CWB and the Rokstad Group entered into a forbearance agreement and 24 amendments thereto with respect to the Rokstad Group's defaults, the last of which expired in early September 2024. During this forbearance period, the loan obligations of the Rokstad Group reached their maturity in 2023 without any repayment. Subsequent to the loan maturity date, CWB periodically increased the loan limit of the Rokstad Group's loan obligations for total additional financing of about \$13 million, which also went unpaid upon the applicable maturity dates, the last of which was August 31, 2024.

5. Based on my review of the "**Original Forbearance Agreement**" between CWB and the Rokstad Group, dated August 26, 2022, the Rokstad Group acknowledged that it had committed the following defaults as of that time:

- (a) exceeding the committed loan limit and margin conditions;
- (b) allowing unpermitted liens to be registered over personal property;
- (c) failing to acknowledge defaults;
- (d) incurring additional indebtedness without CWB's consent;
- (e) making unauthorized distributions;
- (f) incorporating new subsidiary entities without CWB's consent;

- (g) failing to maintain the required debt to EBITDA ratio;
- (h) opening additional bank accounts other than those approved by CWB;
- (i) failing to meet reporting conditions;
- (j) making payments on account of shareholder loans that were assigned and postponed to CWB;
- (k) the occurrence of a material adverse effect;
- (l) failing to provide CWB with prompt notice of defaults; and
- (m) failing to provide to CWB a copy of an executed commitment letter with respect to the repayment of their obligations in full by September 30, 2022 as agreed.

6. The defaults of the Rokstad Group under the Purchased Indebtedness and Security listed above are not intended to be exhaustive. Based on my involvement with this matter, and review of the loan documentation in place between CWB and the Rokstad Group (which is attached to Affidavit #1 of Joanne Austen), I understand that—in addition to the many material defaults identified above—there have been several other defaults by the Rokstad Group over the course of the two years that they were in forbearance with CWB, including but not limited to keeping rents and other material contract payments current, failure to operate in the ordinary course of business, carrying out required equipment maintenance, and delivering audited Financial Statements.

7. The Original Forbearance Agreement remained in effect from August 26, 2022 until March 7, 2024, and was amended multiple times, at the request of the Rokstad Group. On March 7, 2024, CWB and the Rokstad Group signed a further “**Amended and Restated Forbearance Agreement**” that granted to the Rokstad Group further accommodations including access to additional capital. As noted above, the forbearance period under the Amended and Restated Forbearance Period expired in early September 2024.

8. In other words, the Rokstad Group has been in a state of forbearance for over two years following multiple material defaults, as enumerated in the Original Forbearance Agreement and during which time it was not able to bring itself back in compliance with its obligations to CWB or repay its indebtedness to CWB. Ultimately, on September 4, 2024, CWB issued a demand to the Rokstad Group for repayment of all indebtedness owing by the Rokstad Group to CWB and notices of intention to enforce security on September 15, 2024 in accordance with s. 244 of the

*Bankruptcy and Insolvency Act (Canada)* (“**BIA**”). More than a month after the issuance of CWB’s demand, the Rokstad Group remains in material default of its obligations under the Purchased Indebtedness and Security, and is unable to repay or even service its more than US \$34 million in obligations to Stellex.

9. In addition to being in default with respect to the Purchased Indebtedness and Security, the Rokstad Group is in default of its obligations to its second ranking secured creditor, Crown Capital Partner Funding, LP (“**Crown**”). As of September 6, 2024, Crown was owed over C\$60 million by the Rokstad Group. Crown issued a demand letter to the Rokstad Group and a notice of intention to enforce security under the BIA on October 2, 2024.

10. In addition to being in default of their secured obligations to Stellex and to Crown, based on the most recent financial information available to Stellex, the Rokstad Group’s balance of trade payables as of September 4, 2024 exceeded \$18 million, of which more than \$15 million was delinquent.

#### **THE ROKSTAD GROUP IS IN SERIOUS FINANCIAL DISTRESS**

11. In summary, based on information available to Stellex, as set out in this affidavit and my First Affidavit, I believe the Rokstad Group to be in serious financial distress and insolvent, including for the following reasons, among others:

- (a) the Rokstad Group has for more than two years been in default of its obligations to CWB and is presently indebted to its first and second ranking secured creditors for an aggregate amount of more than C\$100 million;
- (b) the Rokstad Group is cash flow negative in the approximate amount of \$1.5-2 million each month, which is anticipated to worsen as the business of the Rokstad Group is seasonal with the period about to commence (from November to January) being the slowest months in terms of performance with the Rokstad Group requiring financial support (that is currently not available to them) through this period of time;
- (c) in addition to their inability to pay (or even service) their secured debt, the Rokstad Group’s balance of trade payables as of September 4, 2024, exceeded \$18 million, of which more than \$15 million was delinquent as of that time;

- (d) based on the most recent financial information available to Stellex, the Rokstad Group has not paid vendors current for 10 months – with many vendors having received no payments whatsoever in over 3 months, and some who have not received payments for almost a year;
- (e) based upon information from Ms. Tamara Wilson, former Chief Financial Officer of the Rokstad Group, vendors have threatened to stop work on various occasions and equipment providers have threatened to pick up equipment which is critical for conducting the Rokstad Group's business;
- (f) based upon information from Ms. Wilson, the Rokstad Group's liquidity to operate has for a long time been heavily reliant upon their vendors' continued willingness to carry materially old unpaid balances, which is a daily negotiation; and
- (g) based upon information from Ms. Wilson, the Rokstad Group has come within 24 hours of being unable to fund their payroll obligations at least twice in the past eight weeks.

12. Stellex is also troubled by the fact that it has very limited visibility into the current financial situation of the Rokstad Group. Among other things, the Rokstad Group is delinquent on its obligations under the credit, security, and related loan documents to deliver audited Financial Statements. In addition, after initially agreeing on October 9, 2024 to do so, the Rokstad Group has, to date, not followed through on or responded to requests by Stellex to provide it with the financial information and projections to which it is entitled. This includes information about the Rokstad Group's business performance and its ability to pay debts (e.g., cash flow forecast, update on vendor payables, and similar information). Responses to other information requests have been sporadic and incomplete. On October 18, 2024, counsel to the Rokstad Group requested that Stellex cease making information requests of the Rokstad Group's management and instead deal directly with the interim receiver.

13. Stellex has requested further information from the interim receiver as to the current business operations of the Rokstad Group to confirm how the Rokstad Group is currently dealing with its trade vendors and customers. A copy of a letter from counsel to Stellex to counsel to the interim receiver in this respect is attached as **Exhibit "A"**.

14. Based on the foregoing information available to Stellex, I believe that the Rokstad Group's business (and Stellex's collateral) is in serious jeopardy. The Rokstad Group's attempts to operate

their business on an *ad hoc*, day-by-day, basis without working capital to pay ordinary course obligations puts Stellex's collateral at significant risk. The Rokstad Group has significant overdue accounts payable resulting from a prolonged period of poor performance and restricted liquidity. Receipts and disbursements are being dictated day-by-day with payments to vendors being adjusted in a manner that does not reflect contractual terms. I also understand equipment rents are not being kept current and that required equipment maintenance is delinquent. This puts the entire business at significant risk of work stoppages, business interruptions, equipment seizures, litigation, and other actions that would be prejudicial to Stellex as a creditor of the business. Additionally, the Rokstad Group does not have the capital necessary to mobilize work crews required to meet work opportunities. The Rokstad Group's failure to pay trade creditors and reliance on accommodations from customers also inevitably strains critical business relationships and the long-term prospects of the business.

15. I don't believe that the Rokstad Group would even have had the means to continue in business to this date had it not been for Stellex's agreement to transfer back to the Rokstad Group millions of dollars that had been paid by the Bank of America ("BOA") to Stellex. The payments in question were made by BOA in accordance with the terms of a Deposit Account Control Agreement ("DACA") that forms part of Stellex's security. On October 8, 2024, prior to Stellex's application for the appointment of the interim receiver, Stellex sent an activation notice to BOA in accordance with the DACA in respect of the Rokstad Group's BOA accounts to which the DACA applied (which was only a subset of accounts controlled by the Rokstad Group at BOA and other banks). This step was taken based on information that insiders to the Rokstad Group were initiating payments to themselves in preference to past due obligations to critical vendors. This action was taken after written notice was sent on October 8, 2024 to the Rokstad Group and its counsel. Neither the Rokstad Group nor its counsel advised of any concerns with this action being taken by Stellex until October 15, 2024, being seven days after written notice.

16. On Friday, October 11, 2024, a day after the appointment of the interim receiver, Stellex raised the activation under the DACA with the interim receiver and consulted the interim receiver for its views on the handling of any funds that may be wired to Stellex pursuant to the DACA. On Monday, October 14, having received some comfort from the appointment of the interim receiver, Stellex instructed BOA to not act on the activation notice of the prior week, but BOA refused absent termination of the DACA. On the following day, Stellex received \$1.2 million which had been deposited into the account subject to the DACA, and the interim receiver advised Stellex that the Rokstad Group needed these funds to meet critical payments for union dues and other

amounts due that same day. Stellex instructed BOA to permit the transfer of the funds in the relevant account (which were subject to the DACA) to a separate account to allow the Rokstad Group to make these critical payments, but BOA advised that any funds transferred into the blocked account would not be accessible to the Rokstad Group due to the activation of the DACA. To ensure funds would be available for the critical payments referenced above, Stellex together with the interim receiver identified an unblocked account of the Rokstad Group and, with the agreement of the Rokstad Group and the interim receiver, wired the \$1.2 million to that account on the same day it was received, October 15, 2024, understanding that such funds would be dealt with in accordance with the Interim Receivership Order.

17. In the days following, Stellex wired back to the Rokstad Group on the same day as received pursuant to the DACA an additional \$3.6 million. In other words, between October 15 and the date of this affidavit, Stellex has permitted the Rokstad Group to use millions of dollars for the purpose of sustaining the business and paying subordinate ranking creditors such as unions and trade creditors that would otherwise be available to reduce the indebtedness owing to Stellex. This was done to preserve Stellex's collateral pending this application. Such funding has increased Stellex's exposure if the financial position of the Rokstad Group's business further deteriorates.

18. In order to preserve the status quo of its security position, while recognizing that the only way to avoid this circular funds flow was to terminate the DACA, Stellex proposed to enter into a new DACA with the Rokstad Group, to which the Rokstad Group agreed. Stellex sent a draft new DACA (in substantially the same form as the previously executed DACA) to the Rokstad Group and Crown on October 16, 2024 for review. As of the date of this Second Affidavit, the parties to the DACA are working collectively to replace it and unwind the block on the BOA accounts.

#### **THE ROKSTAD GROUP'S UNSUCCESSFUL SALES PROCESS**

19. During the forbearance period with CWB, being a period of approximately two years, the Rokstad Group undertook a strategic process (the "**Sales Process**") with the assistance of a United States-based financial advisory firm, Stifel, Nicolaus & Co., Inc. ("**Stifel**"). During this time, the Rokstad Group's restructuring efforts were overseen by CWB's financial advisor, PricewaterhouseCoopers Inc. ("**PwC**").

20. The Sales Process overseen by Stifel, as advisor to the Rokstad Group, and PwC, as advisor to CWB, involved many different permutations over the course of two years from late 2022

until the fall of 2024. Initially, the Sales Process contemplated the sale of certain of the divisions of the Rokstad Group. This initial Sales Process did result in the sale of a division of the Rokstad Group in the fall of 2023 but did not generate proceeds anywhere near sufficient to repay the Rokstad Group's indebtedness to CWB or Crown. Subsequently, Stifel marketed the entire business of the Rokstad Group on an "*en bloc*" basis to maximize value in the Sales Process. This latter marketing process commenced in March 2024 and lasted for four months.

21. As discussed in my First Affidavit, Stellex participated in the Stifel-run Sales Process, and was ultimately selected in July 2024 as the highest and best bidder.

22. Despite lengthy negotiations and discussions with CWB, PwC as financial advisor to CWB, Crown, and the Rokstad Group, during which the terms of Stellex's bid and various other restructuring options and processes involving the Rokstad Group were considered, amended and renegotiated by all parties, including the potential acquisition and recapitalization of the Rokstad Group's business by Stellex (both in and out of court), no agreement acceptable to all parties could be reached.

23. On September 21, 2024, while options for addressing the lack of agreement with the Rokstad Group on a consensual transaction were being considered by Stellex and CWB, legal counsel to the Rokstad Group sent a letter to Stellex purporting to terminate discussions on a consensual transaction with Stellex. Notably, the stated reason for terminating discussions was that the "shareholders" of the Rokstad Group, who are controlled by Messrs. Bernie and Aaron Rokstad, were of the view that "the value of the transaction to the Shareholders" was being degraded. In Stellex's view, there was no value of the business to the shareholders to degrade. It was the Rokstads, as representatives for the Rokstad Group and the shareholders, that insisted the Stellex letter of intent provide a recovery to them, and assured Stellex that they would obtain the consent of CWB and Crown to provide them such recovery. A copy of the letter from counsel to the Rokstad Group (the "**September 21 Letter**") is attached as **Exhibit "B"**.

24. In addition, while the September 21 Letter complains of Stellex's alleged renegotiation of the terms of its letter of intent that was accepted in July 2024, it does not acknowledge that:

- (a) during negotiations the Rokstad Group reported that their annual projected revenue would be more than \$29 million less than initially expected up until that point in time, which amount equates to approximately a 17% decrease in the Rokstad Group's projected revenue for calendar year 2024 up until that point in time;



- (b) due diligence uncovered millions of dollars of liabilities not previously disclosed;
- (c) due diligence uncovered that business equipment was in worse shape, and additional capital expenditures were needed, as compared to what was advertised in the Sale Process;
- (d) the cash needs of the business increased to enable mobilization of crews to complete work;
- (e) the Rokstads and their family requested complex tax structuring to their benefit as shareholders and unsecured noteholders, which required Stellex to assume additional liabilities;
- (f) the Rokstad Group was unable to secure Crown's consent, despite representing Crown's support and acceptance of a "debt-free" deal in Stellex's letter of intent; and
- (g) only Stellex, not the Rokstad Group or the Rokstads, were willing to invest the significant capital the business requires to return to ordinary course of business and create the value that the Rokstads insisted on for themselves and their family members to transact.

25. Notwithstanding markedly deteriorating business performance and significantly increased liabilities post letter of intent, Stellex continued to work to obtain consensus and provide recovery to out of the money constituents like unsecured noteholders (including the Rokstads and their family), and the shareholders controlled by the Rokstads, until the economics of the situation could no longer justify those investments by Stellex.

26. Having seen Stellex's significant efforts to reach consensus for months to no avail, CWB presented Stellex an opportunity to transact by acquiring the CWB debt. As a financial investor, Stellex is willing to fund the business in an open sale process in a receivership so that value can be maximized for all stakeholders and the highest and best bidder can recapitalize and operate the business in the ordinary course.

## **ADDITION OF ROKSTAD USA TO THESE PROCEEDINGS**

27. The relief sought by Stellex on this application includes adding Rokstad USA as “respondents” to the proposed receivership proceedings. The entities comprising Rokstad USA are all affiliated with the entities comprising Rokstad Canada.

28. Together, Rokstad USA and Rokstad Canada form a highly unified and interrelated economic corporate group formed and headquartered in Coquitlam, British Columbia, that provides power line construction maintenance services to customers across North America.

29. Among other things,

- (a) ownership of all the Rokstad Group’s United States operations ultimately rests with Rokstad Holdings Corporation, a British Columbia-based company, and its Canadian shareholders, meaning that the Canadian equity owners of the Rokstad Group are dependent upon the operations of Rokstad USA;
- (b) while ultimate ownership of the Rokstad Group is Canadian, the Rokstad Group has substantial operations in the United States, which form an asset of the Rokstad Group’s Canadian entities, and which the Canadian entities have partially supported when the United States operations are operating at a loss;
- (c) while the Rokstad Group’s United States-based assets are material to the Rokstad Group’s operations, most of the Rokstad Group legal entities are based in Canada;
- (d) the boards of each Rokstad Group legal entity are controlled by Canadian citizens;
- (e) Rokstad USA like Rokstad Canada operates under the name “Rokstad Power”;
- (f) material decisions are approved or made by Bernie Rokstad, founder of the Rokstad Group, and current President of the Rokstad Group, who is a Canadian citizen and resident;
- (g) the debt owed to each of Stellex and Crown is secured by the assets of the entire Rokstad Group including assets based in Canada and the United States;
- (h) Both the Stellex and Crown debt obligations are governed by Canadian law and include credit facilities denominated in Canadian dollars;

- (i) Rokstad's approximately 362 employees are roughly equally divided between Canada and the United States, and many of them are Canadian citizens that cross the border into the United States on visas to work; and
- (j) Funds are transferred by the Rokstad Group between their Canadian and United States bank accounts to make payments as needed.

30. Based on Stellex's participation in the Rokstad Group's Sales Process, in which the financial advisor engaged by the Rokstad Group marketed the Rokstad Group to prospective acquirors and investors on an *en bloc* basis, I believe that the best way to maximize value for the Rokstad Group is to preserve and market its business *en bloc* as was done in the Sales Process.

31. Furthermore, as noted above, Stellex's first-ranking security, which was acquired from the Canadian-based CWB, covers the entirety of the Rokstad Group. Similarly, Crown, a Canadian-based investment firm, holds security over the bulk of the Rokstad Group, including its Canadian assets and certain of its United States assets.

32. Including the entirety of the Rokstad Group as respondents in one receivership proceeding would group the material claims against the Rokstad Group and its members into a single proceeding controlled by the receiver operating under the oversight of this Honourable Court. Stellex believes that this would bring efficiency to the administration of the Rokstad Group, facilitate discussion among stakeholders, and ultimately assist the receiver's efforts to maximize value for stakeholders generally.

## **CONCLUSION**

33. For the foregoing reasons, I believe that appointing a receiver over the Rokstad Group is appropriate in the circumstances and would serve as the best and most efficient means of stabilizing the Rokstad Group's business with a view to maximizing value. Based on my discussions with representatives of Crown, I understand that Crown, as the second-ranking secured creditor of the Rokstad Group, who is owed more than CAD \$60 million, is supportive of the initiation of a Court-supervised insolvency proceeding for the Rokstad Group.

34. Stellex is prepared to fund the receivership proceedings and the Rokstad Group as a going concern through borrowings should the receiver request such funding from Stellex. As noted in my First Affidavit, Stellex is also prepared to actively participate in any sales process that may be administered by the receiver so as to ensure vendors and customers that the Rokstad Group will

remain a going concern and able to continue servicing their needs throughout these proceedings and following completion of a sale process in these proceedings. I understand that all steps to be taken by the receiver once appointed are going to be subject to the receiver's duties as an impartial officer of this Court and be subject in all respects to this Court's jurisdiction and oversight.

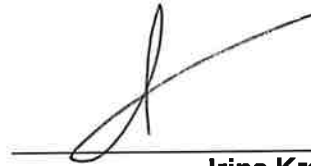
AFFIRMED BEFORE ME at the City of  
New York, in the State of New York, this  
25<sup>th</sup> day of October, 2024.

Jessica Wolfert  
NOTARY PUBLIC, STATE OF NEW YORK  
Registration No. 02WO0005983  
Qualified in New York County

A Notary Public for the State of New York

*Jessica Wolfert*

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Irina Krasik

This is **Exhibit "A"** referred to in the Affidavit of Irina Kraskik affirmed on October 25, 2024.

Jessica Wolfert  
NOTARY PUBLIC, STATE OF NEW YORK  
Registration No. 02WO0005983  
Qualified in New York County

A Notary Public in and for the  
State of New York





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October 18, 2024

**Peter Bychawski**  
 Partner  
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 peter.bychawski@blakes.com

**VIA EMAIL**

Reference: 66834/1

Osler, Hoskin & Harcourt LLP  
 Suite 3000, Bentall Four  
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 Vancouver BC V7X 1K8

Attention: Mary Buttery, K.C. and Emily  
 Paplawski

**RE: In the Matter of the Rokstad Group.**

Dear Counsel:

We are Canadian counsel to Stellex Power Line OpCo LLC and 1501841 B.C. Ltd. (together, "**Stellex**"). Capitalized terms not otherwise defined in this letter have the meanings ascribed to them in the "**Interim Receivership Order**" granted on October 10, 2024.

Stellex appreciates the steps that the Interim Receiver has taken since its appointment to discharge its statutory mandate under section 47(3) of the *Bankruptcy and Insolvency Act* to protect the estate of the Debtors and the interests of creditors within the parameters of the powers conferred by the Interim Receivership Order.

Noting our client's support for the Interim Receiver discharging its mandate under the Interim Receivership Order, including by approving the disbursement by the Debtors and/or Debtors' Affiliates of urgent payables in the interest of protecting the business, our client remains very concerned that the Debtors and Debtors' Affiliates are deeply insolvent and, as a result, are not in fact conducting themselves in the ordinary and proper course of business. In this respect, we request that the Interim Receiver advise of the following:

1. Do the Debtors and/or the Debtors' Affiliates presently have liquidity to meet all their ordinary course business obligations as they are presently due or scheduled to become due (excluding amounts owing under credit agreements with our client, by assignment, and Crown Capital, which we recognize are due and owing, but not being paid)? If not, what is the current or anticipated shortfall between available cash and the current and pending ordinary course obligations?
2. What is the current balance of the Debtors' and/or Debtors' Affiliates trade payables? What amount of the trade payables are delinquent (i.e. beyond contracted payment terms) and by how



much? How are payments to trade creditors being made and prioritized? What information has been provided to the Interim Receiver to substantiate that the way such payments are being dealt with is reflective of the ordinary course arrangements between the Debtors and/or Debtors' Affiliates and their trade creditors? Does the Interim Receiver have information confirming the aging of trade payables (either the normal 30-day increment to over 6 months or just those over 60 days) that it could share with Stellex?

3. Are the Debtors or the Debtors' Affiliates presently subject to any arrangements with customers whereby customers have provided funding to the Debtors and/or Debtors' Affiliates through advances in exchange for promises of work to be performed? If yes, what information has been provided to the Interim Receiver to substantiate that the Debtors' and Debtors' Affiliates have incurred such obligations in a manner that is reflective of the ordinary course arrangements between the Debtors and the Debtors' Affiliates and their customers?
4. Have the Debtors and the Debtors' Affiliates provided the Interim Receiver with information confirming that they have the liquidity necessary to meet their current customer commitments in the ordinary and proper course of business including by mobilizing work crews as required by existing contracts?

Our client's position is that the foregoing requests are within the Interim Receiver's mandate, including pursuant to paragraphs 2(a), 2(b), 2(e), 3(b), and 5 of the Interim Receivership Order.

We reiterate that Stellex in its capacity as the senior secured lender to the Debtors and Debtors' Affiliates supports the Interim Receiver taking all steps necessary to discharge its mandate including by authorizing the disbursement by the Debtors and Debtors' Affiliates of critical protective payments for payroll, union dues, and urgent trade payables as they are necessary to keep the Debtors' and Debtors' Affiliates in business (and to preserve Stellex's collateral) pending Stellex's application for a permanent receiver. However, it is equally critical to the discharge of the Interim Receiver's mandate that the Interim Receiver and stakeholders be provided with full and transparent information that the Debtors' and Debtors' Affiliates are in fact dealing with their creditors and customers in the ordinary and proper course of business in accordance with existing arrangements and not in an *ad hoc* manner.

Stellex thanks the Interim Receiver for its cooperation to date and looks forward to responses to the above questions at the Interim Receiver's earliest opportunity.

Yours truly,

Peter Bychawski

1386-4292-0720.1

TORONTO

CALGARY

VANCOUVER

MONTREAL

OTTAWA

NEW YORK

LONDON

Blake, Cassels & Graydon LLP | [blakes.com](http://blakes.com)

This is **Exhibit "B"** referred to in the Affidavit of Irina Kraskik affirmed on October 25, 2024.

**Jessica Wolfert**  
 NOTARY PUBLIC, STATE OF NEW YORK  
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 Qualified in New York County

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A Notary Public in and for the State of New York







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September 21, 2024

VIA E-MAIL

Irina Krasik  
[ikrasik@stellexcapital.com](mailto:ikrasik@stellexcapital.com)

Re: **Stellex/Rokstad Letter of Intent**

Dear Irina:

We write to you in your capacity as a Managing Director of Stellex Capital Management (“Stellex”) and in our capacity as legal counsel to Rokstad Holdings Corporation (together with its subsidiaries, (“Rokstad”) and in connection with that certain Letter of Intent entered into by Stellex regarding the acquisition of Rokstad (the “LOI”).

As you may have already heard, Rokstad and its shareholders (the “Shareholders”) have determined not to continue discussions and negotiations with regards to its sale to Stellex as described in the LOI and shall no longer pursue any transaction with Stellex, effective immediately. Further, Rokstad has informed us that it will no longer participate in any discussions or negotiations related to Stellex acquiring Rokstad’s outstanding indebtedness.

The Shareholders believe the deal as currently presented by Stellex so drastically different than what is contemplated in the LOI that it is unrecognizable and in no way reflects the value that Rokstad or its principals bring to the industry or would bring to Stellex. The Shareholders have informed us that neither Rokstad nor the Shareholders can envision a future in which there is a mutually beneficial professional working relationship in the event Stellex acquired Rokstad, given Stellex’s relentless self-serving negotiation tactics, which would have had the effect of further degrading the value of the transaction to the Shareholders. Therefore, the Shareholders have made the decision to move forward in a different direction.

Sincerely,

/s/ R. Matthew Garms  
R. Matthew Garms

cc:

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