

District of: **British Columbia**  
Division No.: **03 - Vancouver**  
Court No.:  
Estate No.: **11-3212012**

**IN THE MATTER OF THE BANKRUPTCY OF  
ROKSTAD POWER (2018) LTD.**

**OF THE CITY OF COQUITLAM  
IN THE PROVINCE OF BRITISH COLUMBIA**

**TRUSTEE'S REPORT TO CREDITORS ON PRELIMINARY ADMINISTRATION**

**April 30, 2025**

**BACKGROUND AND CAUSES OF INSOLVENCY**

**Background**

1. Rokstad Power (2018) Ltd. ("**Rokstad 2018**") was incorporated on June 14, 2018 pursuant to the laws of British Columbia, with a registered office in Vancouver, British Columbia.
2. Rokstad 2018 was owned by Rokstad Holdings Corporation a group of companies providing a full suite of power line contracting services to its customers, including immediate emergency and storm response, distribution, transmission and live line work for its customers in both Canada and the United States (the "**Rokstad Group**").
3. The Rokstad Group traces its roots back to 2008 when Aaron Rokstad ("**Aaron**"), along with other shareholders, founded Empirica Energy Inc. ("**Empirica**").
4. In 2011, Empirica and Galbraith Power (BC) Inc. amalgamated and subsequently changed its name to Rokstad Power Corporation ("**RPC**").
5. RPC was originally overseen by Aaron, who was joined by his father Bernard Rokstad in 2013.

6. Between 2011 and 2013, RPC grew from 100 employees to over 250 and commenced operations in the United States through Rokstad Power Inc. (“**RPI**”).
7. In order to fund further growth, in 2014 RPC entered into a share and unit purchase agreement with the Carillion Group of companies (“**Carillion**”) wherein Carillion acquired 60% of RPC and RPI.
8. However, in January 2018 Carillion obtained an initial order pursuant to the *Companies’ Creditors Arrangement Act*, which severely impacted the operations of RPC and RPI as Carillion had been providing the working capital and loan financing required by RPC and RPI.
9. In June 2018, the Supreme Court of British Columbia (the “**Court**”) approved an asset purchase agreement whereby Rokstad Holdings Corporation (“**RHC**”) acquired the key business assets and business lines of RPC and RPI, thereby separating them from Carillion.
10. The Canadian assets were acquired by Rokstad 2018, a subsidiary of RHC.
11. In order to fund the business, in 2019 and 2020, the Rokstad Group entered into secured credit facilities with Crown Capital Partner Funding LP by its general partner, Crown Capital LP Partner Funding Inc. (together “**Crown**”) and Canadian Western Bank (“**CWB**”).
12. Due to certain defaults in its credit agreement, in August 2022, the Rokstad Group entered into a forbearance agreement with CWB.
13. After amending the forbearance agreement in March 2024, CWB demanded repayment of its loan facility in September 2024. At that time, the amount owing to CWB by the Rokstad Group was USD 27.5 million and CAD 7.9 million.
14. In October 2024, Crown demanded repayment of its loan facility which at the time was in the amount of CAD 61.1 million.

15. As a condition of its forbearance agreement, the Rokstad Group retained a financial advisor in December 2022 to run a sale and investor solicitation process for its business.
16. During this process, Stellex Capital (“**Stellex**”) was introduced to the Rokstad Group as a party expressing interest in acquiring the Rokstad Group. The Rokstad Group entered into negotiations with Stellex to acquire its business, however in September 2024 the Rokstad Group terminated those negotiations.
17. On October 7, 2024, counsel for Stellex notified the Rokstad Group that it had acquired the CWB credit facility.
18. On October 10, 2024, Stellex sought and obtained an order from the Court appointing FTI Consulting Canada Inc. (“**FTI**”) as the Interim Receiver of the Rokstad Group.
19. Subsequently, on November 6, 2024 Stellex sought and obtained a further order from the Court appointing FTI as the Receiver of the Rokstad Group (the “**Initial Receivership Order**”).
20. During the receivership proceeding, FTI sought the approval of the Court to assign any of the Rokstad Group of companies into bankruptcy.
21. On April 11, 2025, pursuant to the powers provided to FTI by the Court, the Receiver filed an assignment in bankruptcy for Rokstad 2018 pursuant to section 49(1) of the *Bankruptcy and Insolvency Act*. A Certificate of Bankruptcy for Rokstad 2018 was issued on April 15, 2025, by the Official Receiver appointing FTI as Trustee. A copy of the Certificate of Bankruptcy is attached hereto as Appendix “A”.

### **The Receivership Proceeding**

22. The Initial Receivership Order empowered the Receiver to, among other things market any or all of the Property, including advertising and soliciting offers in respect of the Property.

23. As a result, on December 13, 2024 the Receiver sought and obtained an order of the Court to conduct a sale and investment solicitation process (the “SISP”). A key component of the SISP involved the approval of a credit bid from Stellex using the secured debt it acquired from CWB. The credit bid was structured as a stalking horse offer in the form of a binding asset purchase agreement for all of the assets of the Rokstad Group.
24. During the SISP, a separate offer was received for the Canadian assets owned by Rokstad 2018 from Graham Maintenance Services LP and 42 West Contractors Ltd. (collectively “Graham”). With the consent of Stellex, a separate asset purchase agreement was negotiated with Graham for the Canadian assets while Stellex’s asset purchase agreement was amended to consist of the assets located in the United States.
25. Both transactions subsequently closed and accordingly at the time of assigning Rokstad 2018 into bankruptcy, there were no remaining assets.

### **Causes of Insolvency**

26. The primary causes of Rokstad 2018’s financial difficulties were as follows:
  - a) Lack of access to working capital;
  - b) The suspension of work in 2021 by one of the Rokstad Group’s largest customers in the United States which accounted for over 50% of the companies’ consolidated revenue; and
  - c) an unsustainable capital structure.

## **PRELIMINARY EVALUATION OF ASSETS AND SECURITY INTEREST**

27. As indicated previously, Rokstad 2018 does not hold any assets as they were sold to a third party through the Receivership proceeding.
28. The two asset sales consisting of the sale of the Canadian assets to Graham and the sale of the United States based assets to Stellex did not generate sufficient proceeds to satisfy the secured debt held by Stellex.
29. As a result, at the date of bankruptcy Stellex still had a significant unsecured claim in the approximate amount of CAD 36.1 million.

## **POSSESSION OF BOOKS AND RECORDS**

30. Graham and Stellex each acquired the relevant books and records pursuant to their respective asset purchase agreements.
31. However, a provision of the asset purchase agreements provided the Trustee with access to the books and records as required to complete the administration of the estate.

## **CONSERVATORY AND PROTECTIVE MEASURES**

32. There is no property requiring conservatory or protective measures.

## **PROVABLE CLAIMS AND DESCRIPTION OF CREDITORS**

33. The claims disclosed in the statement of affairs of Rokstad 2018 are summarized as follows:
  - a) Secured creditor claims: Nil; and
  - b) Unsecured creditor claims: CAD 28.0 million (this was incorrectly calculated on the statement of affairs and should have been CAD 40.7 million).

34. The Trustee notes that pursuant to the asset purchase agreement between the Receiver and Graham, the majority of the employees of Rokstad 2018 were assumed by Graham and given that Graham intends to continue the Canadian operations, many of the unsecured creditor claims were also assumed by Graham.
35. Accordingly, the Trustee would expect to receive a lot fewer claims than are indicated in the statement of affairs.
36. As of April 30, 2025, the Trustee had received 11 proofs of claim from unsecured creditors totalling \$930,452.

#### **LEGAL PROCEEDINGS, TRANSFERS AT UNDERVALUE, PREFERENCE PAYMENTS**

37. The Trustee is not aware of any other legal proceedings commenced against or by Rokstad 2018.
38. The Trustee is not aware of any potential transfers at undervalue or preference payments.

#### **THIRD-PARTY DEPOSITS AND GUARANTEES**

39. The fees and disbursements of the Trustee will be funded from a reserve for professional fees related to wind-down costs under the Receivership proceedings.

#### **ASSET REALIZATION AND PROJECTED DISTRIBUTION**

40. The Trustee does not anticipate any realizations from the bankruptcy proceedings given the prior asset sales finalized through the Receivership proceeding.

## **OTHER MATTERS**

41. There are no other matters.

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### **FTI Consulting Canada Inc.**

In its capacity as Trustee in Bankruptcy of  
Rokstad Power (2018) Ltd.  
and not in its personal capacity

A handwritten signature in black ink, appearing to read 'Craig Munro', written in a cursive style.

Craig Munro  
Managing Director