

COURT/ESTATE FILE NUMBER 25-2831494

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PROCEEDINGS IN THE MATTER OF THE BANKRUPTCY OF RBEE  
AGGREGATE CONSULTING LTD.

APPLICANT FTI CONSULTING CANADA INC., SOLELY IN ITS  
CAPACITY AS LICENSED INSOLVENCY TRUSTEE  
OF THE BANKRUPT ESTATE OF RBEE AGGREGATE  
CONSULTING LTD.

RESPONDENTS A-1 QUALITY BELTING LTD.  
1258311 ALBERTA LIMITED  
BERNIE REED  
JANET FISHER

DOCUMENT SECOND REPORT OF FTI CONSULTING CANADA  
INC., SOLELY IN ITS CAPACITY AS LICENSED  
INSOLVENCY TRUSTEE OF THE BANKRUPT  
ESTATE OF RBEE AGGREGATE CONSULTING LTD.

**March 9, 2026**

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## SECOND REPORT OF THE TRUSTEE

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## INTRODUCTION

1. RBee Aggregate Consulting Ltd. (“**RBee**” or the “**Bankrupt**”) was incorporated in the Province of Alberta on or around September 13, 2017. RBee’s registered office was in Calgary, Alberta.
2. RBee’s primary business was the operation of gravel crushing plants in various pits and construction sites across Alberta and British Columbia. Gravel crushing is a seasonal industry with operations typically running from April to the onset of winter, at which point the operations wind-down and the majority of the operations’ employees are laid off. By the end of the 2021 season, RBee’s operations were shut down for the winter and the majority of employees had been laid off. RBee had not secured contracts for the 2022 construction season.
3. On March 11, 2022 (the “**Appointment Date**”), Crown Capital Partner Funding, LP (“**Crown LP**”), by its manager, Crown Private Credit Partners Inc. (“**Crown**”) sought and obtained a receivership Order (the “**Receivership Order**”) from the Court of King’s Bench of Alberta (the “**Court**”, and the proceedings, the “**Receivership Proceedings**”). The Receivership Order appointed FTI Consulting Canada Inc. (“**FTI**”) as receiver (in such capacity, the “**Receiver**”) of all the assets, undertakings and properties (the “**Property**”) of RBee.
4. On May 18, 2022 (the “**Bankruptcy Date**”), the Court granted an Order adjudging RBee bankrupt (the “**Bankruptcy Order**”) and appointing FTI as trustee (in such capacity, the “**Trustee**”). The first meeting of the creditors was held by the Trustee on June 7, 2022, whereby Tim Oldfield, managing director of Crown was appointed as an inspector of the estate (the “**Inspector**”).

5. On March 21, 2025, the Trustee prepared and filed its first report (the “**First Report**”) to the Court with respect to the Trustee’s Application which was scheduled to be heard on May 7, 2025 (the “**Preference Application**”). In the Preference Application, the Trustee was prepared to seek an order (the “**Preferential Transactions Order**”) for the following, among other things:
- (a) declaring that each of A-1 Quality Belting Ltd. (“**A-1**”), 125811 Alberta Limited (“**125 AB**”), Bernie Reed (“**Reed**”) and Janet Fisher (“**Fisher**”) (collectively, the “**Related Parties**”), as applicable, received from RBee:
    - i. a preference or preferences within the meaning of section 95 of the Bankruptcy and Insolvency Act (Canada) (the “**BIA**”);
    - ii. one or more gifts, conveyances, assignments, transfers, deliveries over or payments of goods, chattels or effects or of bills, bonds, notes or securities or of shares, dividends, premiums or bonus in any bank, company or corporation, or of any other property, real or personal, made, within the meaning of the Fraudulent Preferences Act, RSA 2000, c F-24; and
    - iii. one or more fraudulent transfers or fraudulent conveyances within the meaning of the Statute of Elizabeth, 1571 (UK), 13 Eliz 1, c 5,  
  
(each a “**Preferential Transaction**” and together, the “**Preferential Transactions**”); and
  - (b) directing each of A-1, 125 AB, Reed and Fisher, as applicable, to return the value of the Preferential Transactions to the Bankrupt’s estate.
6. Pursuant to the litigation schedule agreed to by the Trustee and the Related Parties:
- (a) on April 4, 2025, the Related Parties provided an affidavit sworn by Reed;

- (b) on April 17, 2025, the Trustee filed a supplemental report to the First Report and a brief of law; and
  - (c) on April 25, 2025, the Related Parties filed a brief of law.
- 7. On May 5, 2025, the Trustee and the Related Parties agreed to adjourn the Preference Application to a future date to be agreed upon between counsel. On May 30, 2025, the Preference Application was re-scheduled to be heard on August 8, 2025. This hearing date was further adjourned to allow for certain interlocutory matters to be addressed.
- 8. On November 12, 2025, the parties entered into a settlement agreement and mutual release (the “**Settlement Agreement**”) and on November 18, 2025, the funds (the “**Settlement Funds**”) pursuant to the Settlement Agreement were received by the Trustee’s Counsel (as defined below). Prior to entering into the Settlement Agreement, the Trustee obtained approval of the Settlement Agreement from the Inspector.
- 9. On February 10, 2026, this Court granted a consent dismissal order (the “**Dismissal Order**”) dismissing the Preference Application without costs.
- 10. This is the Trustee’s second report (the “**Second Report**”) to the Court. This Second Report is prepared with respect to the Trustee’s application filed March 9, 2026 (the “**Trustee’s Distribution Application**”), seeking an order, among other things, to approve and authorize the Trustee to distribute the Settlement Funds (the “**Distribution Order**”), less the following amounts:
  - (a) professional fees and disbursements incurred specifically in connection with the events leading up to the Settlement Agreement (including the Trustee’s legal counsel); and
  - (b) the levy payable to the Superintendent of Bankruptcy (“**OSB Levy**”),  
  
(referred to as the “**Net Funds**”).

11. The purpose of this Second Report is to provide this Honourable Court with a summary of:
  - (a) the Trustee’s activities since the date of the First Report; and
  - (b) the Trustee’s analysis of with respect to the distribution of the Net Funds.
12. The Trustee’s reports and other publicly available information in respect of these proceedings and the Receivership Proceedings are posted on the Trustee’s website at <http://cfcanada.fticonsulting.com/Rbee>.

### **TERMS OF REFERENCE**

13. In preparing this Second Report, the Trustee has relied upon audited and unaudited financial information, other information available to the Trustee and, where appropriate, the Bankrupt’s books and records and discussions with various parties (collectively, the “**Information**”).
14. Except as described in this Second Report:
  - (a) the Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accounts of Canada Handbook; and
  - (b) the Trustee has not examined or reviewed financial forecasts and projections referred to in this Second Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
15. The Trustee has prepared this Second Report in connection with the Trustee’s Distribution Application, scheduled to be heard on March 18, 2026. This Second Report should not be relied on for other purposes.

16. Information and advice described in this Second Report that has been provided to the Trustee by its legal counsel, Blake, Cassels & Graydon LLP (the “**Trustee’s Counsel**”) was provided to assist the Trustee in considering its course of action and is not intended as legal or other advice to, and may not be relied upon by, any other person.
17. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

### **ACTIVITIES OF THE TRUSTEE**

18. The Trustee’s activities since the date of our First Report have included, among other things, the following:
  - (a) entering into the Settlement Agreement with the Related Parties;
  - (b) review of the proofs of claim submitted to the Trustee;
  - (c) considering the facts related to the proposed distribution of the Net Funds to Crown as the only senior secured creditor remaining with claims against the Bankrupt;
  - (d) review of the OSB Levy; and
  - (e) preparing this Second Report.

### **SETTLEMENT AGREEMENT**

19. As the terms of the Settlement Agreement are confidential (and subject to settlement privilege), the Trustee has prepared a confidential supplemental report to the Second Report (the “**Confidential Supplemental Report**”) to disclose the financial terms and calculation of the proposed distribution. Due to the privileged and confidential nature of the Settlement Agreement, the Trustee will also be seeking a sealing order in respect of the Confidential Supplemental Report to protect the privileged and confidential nature of the Settlement Agreement.

20. The parties entered into the Settlement Agreement, which was made effective November 12, 2025, and Settlement Funds were received by the Trustee's Counsel on November 18, 2025. The Trustee obtained approval from the Inspector prior to entering into the Settlement Agreement.

### **DISTRIBUTION OF NET FUNDS**

21. The fundamental distribution related question that the Trustee has considered is whether the Net Funds should be distributed to:
- (a) Crown, with respect to a partial repayment of its estimated remaining secured debt of \$21.2 million (including accrued interest and legal costs) as against the Bankrupt; or
  - (b) to the general body of unsecured creditor (the "**Unsecured Creditors**") on a *pari passu* basis.
22. In determining the proposed distribution of the Net Funds, the Trustee's analysis focused on the BIA, composition of the Bankrupt's creditor pool and a review of relevant case law.
23. Having considered the BIA's treatment of distributions to creditors, a review of outstanding case law, and the general equities on the specific circumstances with respect to the Settlement Funds, the Trustee's view is that it is appropriate to distribute the Net Funds to Crown, for the reasons set out below.

### **BIA Considerations**

24. Crown is currently the only remaining secured creditor of the Bankrupt. As previously reported to this Court, after interim distributions made to date, Crown's remaining secured claim is approximately \$21.2 million. The only remaining assets of the estate are the Net Funds and a large receivable that is currently subject to litigation. The outstanding secured debt owing to Crown is in excess of the Net Funds and the potential recovery from the receivable litigation.

25. As the only Inspector is a representative of Crown, given the inherent conflict of interest, the Trustee did not have a further inspector's meeting seeking approval of the proposed distribution of the Net Funds.
26. Section 136 of BIA sets out the scheme of distribution which is "subject to the rights of secured creditors". The Trustee and the Trustee's counsel have considered the nature of the Net Funds and whether they are:
  - (a) settlement proceeds resulting from the Settlement Agreement; or
  - (b) direct recovery from the Preference Application.
27. The Trustee's view is that the Net Funds are a result of the Settlement Agreement and are ordinary settlement proceeds. Therefore, under the BIA, the Net Funds in the Trustee's hands would be "subject to the rights of secured creditors" and accordingly, would be distributed to the Crown in partial satisfaction of its secured claims.
28. Furthermore, even if the Net Funds were considered a result of the Preference Applications, there is no clear basis to conclude, based on a review of the BIA, that such Net Funds would not be covered by Crown's security interest.
29. In addition to the BIA analysis, the Trustee has considered the relevant case law below.

### **Case Law**

30. The Brief of the Trustee dated March 9, 2026, summarizes the relevant case law with respect to the proposed distribution of the Net Funds. The review indicates scenarios where the Courts have found that the proceeds of a successful preference application are subject to the interests of secured creditors and examples where Courts found the recoveries should be distributed to the general body of unsecured creditors.

31. Further complicating the case law analysis is whether the Settlement Funds should be considered a general settlement of the Preferences Application, or a direct outcome of the Preferential Transactions. The Trustee’s view, discussed above, is that that the Net Funds are a direct result of the Settlement Agreement.
32. Neither the Trustee nor the Trustee’s Counsel was able to find any cases with analogous facts to guide specifically how the Net Funds should be distributed. In *Tucker*, the Ontario Court noted that jurisprudence about how proceeds of a preference application should be treated is ‘unclear and inconsistent’ [*Tucker v. Aero Inventory (UK) Limited*, [2011 ONSC 4223](#) at para [98](#)].

### Other Considerations

33. Crown’s secured claim of \$21.2 million represents approximately 93% of the third party claims pool submitted to the Trustee as at the date of this report<sup>1</sup> and approximately 78% if you included Related Party claims. No other valid secured claims were received, in the bankruptcy proceedings, as summarized in the table below:

<b>Summary of Claims received by Trustee</b>		
<i>(\$000's)</i>	\$	%
Crown	\$21,249	93%
Third Party, Unsecured Claims	1,599	7%
<b>Total Claims Pool</b>	<b>\$22,849</b>	<b>100%</b>

<b>Summary of Claims including Related Parties</b>		
<i>(\$000's)</i>	\$	%
Crown	21,249	78%
Related Parties, Unsecured Claims	4,511	16%
Third Party, Unsecured Claims	1,599	6%
<b>Total Claims Pool</b>	<b>\$ 27,360</b>	<b>100%</b>

<sup>1</sup> Comprises proofs of claim received by the Trustee to date. Does not include claims of the Related Parties based on the books and records of the Bankrupt.

34. Accordingly, even if the Net Funds were to be distributed to the Unsecured Creditors, Crown would receive a significant pro-rata share given the relative size of the its claim.

### **Trustee's views on the distribution of the Net Funds**

35. Having considered the BIA, the existing case law, and the unique facts and equities of these circumstances, the Trustee is proposing to distribute the Net Funds to Crown, as senior secured creditor, based on the following:
- (a) there is no clear legal basis to treat the Net Funds as direct recoveries of the Preferences Application. In particular, the Dismissal Order specifically orders that the dismissal therein “shall have the same force and effect as if it had been pronounced as a decision of this Honourable Court after a full and complete hearing of the Preferences Application on the merits”;
  - (b) the Net Funds are a result of the Settlement Agreement and, accordingly, appear to represent ordinary proceeds that would be subject to the BIA’s scheme of distribution set out in Section 136; and
  - (c) there is no basis in the BIA or relevant case law to disregard Crown's priority security interest.
36. Accordingly, the Trustee is seeking authorization from this Court to distribute the Settlement Funds, net of professional fees incurred by the Trustee and the Trustee’s Counsel and the OSB Levy (the Net Funds), to Crown, as further detailed in the Confidential Supplemental Report.

### **TRUSTEE’S RECOMMENDATIONS**

37. Based on the foregoing, the Trustee respectfully recommends that the Honourable Court grant the Distribution Order and distribute the Net Funds to Crown as a partial paydown on its secured debt.

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All of which is respectfully submitted this 9<sup>th</sup> day of March, 2026.

FTI Consulting Canada Inc.  
Solely in its capacity as Licensed Insolvency Trustee in  
Bankruptcy of RBee Aggregate Consulting Ltd., and not  
in its personal or corporate capacity



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