



ksv restructuring inc.

Suite 1165, 324 – 8th Avenue SW, Box 129

Calgary, Alberta, T2P 2Z2

T +1 587 287 9960

F +1 416 932 6266

www.ksvadvisory.com

**District of Alberta
Division No. 01 – Edmonton
Estate File No.: 24-3183742**

**IN THE MATTER OF THE BANKRUPTCY OF
VOLTEGIC ENERGY SERVICES LTD.
OF THE TOWN OF ATHABASCA, IN THE PROVINCE OF ALBERTA**

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

FEBRUARY 20, 2025

1.0 Introduction

1. On February 6, 2025 (the "**Filing Date**"), Voltegit Energy Services Ltd. ("**Voltegit**") filed a voluntary assignment in bankruptcy pursuant to section 49 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and KSV Restructuring Inc. was appointed as the Licensed Insolvency Trustee (in such capacity, the "**Trustee**") of Voltegit by the Office of the Superintendent of Bankruptcy (the "**OSB**"), subject to the affirmation of the Trustee's appointment at the first meeting of creditors, scheduled to be held on February 21, 2025. A copy of the certificate of appointment issued by the OSB is attached.
2. Prior to the Filing Date, Voltegit provided electrical, automation, and fabrication services to the oil and gas industry.

1.1 Restrictions

1. In preparing this preliminary report (the "**Report**"), the Trustee has relied upon unaudited financial and other information supplied by Voltegit's previous management and employees.

2. The Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied upon to prepare this Report in a manner that complies with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Trustee expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information contained in this Report should perform its own diligence.
3. The Trustee accepts no responsibility for any reliance placed by any third party on Voltegit’s financial information presented herein.

1.2 Currency

1. All currency references in this Report are in Canadian dollars unless otherwise noted.

2.0 Background

1. Voltegit was incorporated under the *Alberta Business Corporations Act* on September 15, 2017. Voltegit has two (2) shareholders: (i) Streamline Productions Inc. – 70%; and (ii) T.F.A Controls Ltd. – 30%. Tyler Arthur is Voltegit’s sole director.
2. Prior to the Filing Date, Voltegit provided electrical, automation, and fabrication services for customers in the oil and gas industry and operated from the following leased premises:
 - a) 3705 53rd Street, Athabasca, Alberta (the “**Athabasca Premises**”);
 - b) 1501 – 8th Street NE, Slave Lake, Alberta (the “**Slave Lake Premises**”); and
 - c) 45006 Township Road 724E C, M.D. of Lesser Slave River, Alberta (the “**Camp**”).
3. Since a workplace incident in November 2022 that resulted in the death of two employees, Voltegit had difficulty securing work from existing and new customers. As a result of the lost revenue and legal fees associated with litigation related to the incident, Voltegit accumulated significant unsecured and secured liabilities required to continue to fund operations, including amounts owing to Canadian Imperial Bank of Commerce (“**CIBC**”), Voltegit’s senior secured lender.

4. Based on current trends and historical performance, Voltegit forecasted that further losses would be incurred in the future, making the business unsustainable. As a result, in early January 2025, Voltegit's management decided to cease operations, terminate all employees, and liquidate its assets to satisfy the amounts owing to CIBC.
5. Between mid-January and early February 2025, the Trustee understands that Voltegit and CIBC engaged in discussions to develop a plan to liquidate Voltegit's assets. After discussions with CIBC and being notified that the landlord of the Athabasca Premises had changed the locks due to significant outstanding rent, Voltegit decided to file an assignment in bankruptcy.

3.0 Conservatory and Protective Measures

1. On February 3, 2025, in addition to providing a list of outstanding accounts receivable, Tyler Arthur and Faron Belseck, Voltegit's previous Vice President of Finance (collectively, "**Management**") provided the Trustee with a preliminary list of assets (the "**Asset List**") which indicated that Voltegit's assets were at the following locations:
 - a) the Athabasca Premises;
 - b) the Camp; and
 - c) a rural property that the Trustee understands is owned by Tyler Arthur (the "**Farm**", together with the Athabasca Premises, and Camp, the "**Premises**").
2. Management advised that none of Voltegit's assets were located at the Slave Lake Premises as Voltegit had voluntarily vacated the Slave Lake Premises in October 2024.
3. As detailed below, in the absence of reliable and timely information, the Trustee has taken extensive steps to secure Voltegit's assets.

3.1 Athabasca Premises

1. On February 6, 2025, the Trustee contacted the landlord of the Athabasca Premises to arrange access. As a result of the steps taken by the landlord prior to the Filing Date, the Trustee engaged McDougall Auctioneers Ltd. ("**McDougall**"), an auctioneer with a secure storage yard in Nisku, Alberta, to coordinate the removal and storage of the assets located at the Athabasca Premises (the "**Athabasca Assets**").

2. On February 7, 2025, the Trustee and McDougall attended the Athabasca Premises to begin removing the Athabasca Assets. While attending the Athabasca Premises, the Trustee also secured certain physical books and records, which are currently being stored at the Trustee's office.
3. As at the date of this Report, the Athabasca Assets have been removed from the Athabasca Premises and are being stored at McDougall's facility in Nisku, Alberta. McDougall is currently preparing a listing of the Athabasca Assets, along with estimated values.

3.2 Camp

1. On February 11, 2025, after obtaining the contact information for Tiger Calcium Services Inc. ("**TCS**"), the landlord of the Camp, from Management, the Trustee contacted TCS and informed same of the bankruptcy proceedings.
2. On February 13, 2025, Consolidated Civil Enforcement Inc. ("**CCE**"), the bailiff retained by the Trustee, attended the Camp with a locksmith to secure the residential structure located at the Camp (the "**Camp Structure**") and perform a count of the assets situated therein. CCE has advised the Trustee that, aside from the Camp Structure, there are no material assets or equipment at the Camp.

3.3 Farm

1. On February 17, 2025, after repeated demands from the Trustee, Management provided the address for the Farm.
2. On February 19, 2025, after receiving instructions from the Trustee, CCE advised that it could attend the Farm on February 21, 2025, to prepare a list of Voltegit's assets located at the Farm (the "**Farm Assets**"). As at the date of this Report, the Trustee is coordinating CCE's attendance at the Farm with Management. Once CCE provides a listing of the Farm Assets, the Trustee will determine if the Farm Assets should be moved to McDougall's site in Nisku, Alberta.
3. The Trustee understands that the Farm Assets consist of certain equipment and inventory owned by Voltegit; however, as at the date of this Report, the value of the Farm Assets is unknown.

3.4 Other Conservatory and Protective Measures

1. In addition to taking steps to secure the physical assets of Voltegit, the Trustee has performed the following conservatory measures since being appointed:
 - a) **Accounts Receivable** – on February 12, 2025, the Trustee sent letters to customers that, based on Voltegit’s books and records, had balances outstanding to Voltegit. As at the date of this Report, the Trustee has only been able to send letters to certain customers for whom the Trustee was able to obtain addresses and contact information through internet searches. Notwithstanding repeated requests, Management has not provided the contact information for certain customers nor the invoices that support the balances outstanding;
 - b) **Bank Accounts** – immediately following the Trustee’s appointment, the Trustee contacted CIBC with instructions to: (i) freeze all bank accounts; and (ii) direct any remaining funds held in the accounts to the Trustee’s designated trust account; and
 - c) **Insurance** – as Voltegit had let insurance coverage lapse prior to the Filing Date, the Trustee obtained insurance coverage from FCA Insurance Brokers.

4.0 Books and Records

1. As at the date of this Report, notwithstanding repeated requests, the Trustee has not obtained a complete backup of Voltegit’s electronic books and records. To obtain access to Voltegit’s electronic records, the Trustee is currently working with Voltegit’s former IT service provider to retrieve the necessary records required to administer the bankruptcy.

5.0 Trustee’s Preliminary Evaluation of Assets

1. Pursuant to Voltegit’s Statement of Affairs sworn February 5, 2025 (the “**SOA**”), the assets of Voltegit consist of the following, each of which is discussed in greater detail below.

Description	Estimated Realizable Value (\$000s)
Accounts receivable	100
Inventory	1,050
Equipment and structures	700
Other assets	125
Total	1,975

5.1 Accounts Receivable

1. As outlined in the SOA, Management has estimated that \$100,000 of the accounts receivable is collectible (approximately 45% of the book value). Based on preliminary feedback received from customers, the Trustee believes that the amount recorded in Voltegit's books and records is overstated.

5.2 Inventory

1. Inventory primarily consists of electrical, mechanical, combustion, and instrumentation parts that were used by Voltegit in servicing its customers. The Trustee, with the assistance of McDougall and CCE, is currently conducting a count of all inventory retrieved from and located at the Premises.
2. As outlined in the SOA, Management has estimated that the net realizable value of the inventory is \$1,050,000 (i.e., approximately 50% of the book value). Based on the information obtained from McDougall and CCE, the Trustee is of the view that the inventory value reported on the SOA is materially overstated.

5.3 Equipment and Structures

1. Equipment and structures primarily represent: (i) the Camp Structure; (ii) equipment; (iii) vehicles; (iv) leasehold improvements; (v) office equipment (chairs, desks, tables, etc.); (vi) computer equipment (computers, laptops, monitors, televisions, mobile devices, etc.); and (vii) other miscellaneous equipment.
2. As outlined in the SOA, Management has estimated that the net realizable value of the equipment and structures is \$700,000 (i.e., approximately 60% of the book value). Similar to inventory, based on the Trustee's preliminary review of the equipment and structures located at the Premises, the Trustee's view is that the value reported on the SOA is materially overstated.

5.4 Other Assets

1. Other assets consist of intangible assets and deposits paid by Voltegit prior to the Filing Date. The realizable value of these assets is unknown at this time.

6.0 Creditors

6.1 Secured Creditors

1. CIBC is the Company's largest secured creditor. As at the Filing Date, CIBC was owed approximately \$1.1 million, before interest and fees. In addition to CIBC, the following parties have registered financing statements against Voltegit in the Alberta Personal Property Registry:
 - a) Westlock Motors Ltd., Vault Credit Corporation, Dynamic Capital Equipment Finance Inc., Royal Bank of Canada, and Mitsubishi HC Capital Canada Leasing Inc. – the Trustee understands that the registrations by these entities against Voltegit relate to motor vehicles, trailers, and other serialized equipment. Management has advised that this equipment was returned to the relevant entities by Voltegit prior to the Filing Date;
 - b) Kal Tire and Whitecap Chevrolet Buick GMC – the Trustee understands that the registrations by these entities relate to Garage Keepers' Liens; and
 - c) Unitray Systems Inc. and Guillevin International Co. – the Trustee understands that the registrations by these entities relate to Writs of Enforcement.
2. Lawson Lundell LLP ("**Lawson**") is the Trustee's legal counsel. Lawson provided the Trustee with an opinion on CIBC's security, which confirms that, subject to the standard assumptions and qualifications contained therein, CIBC's security is valid and enforceable as against a trustee in bankruptcy.
3. The Trustee has received a secured proof of claim from CIBC in the amount of \$1,097,555. The secured proof of claim values CIBC's security at \$500,000, resulting in a remaining unsecured claim of \$597,555.

6.2 Security for Unpaid Wages – s. 81.3 Claims

1. All employees were terminated prior to the Filing Date. The Trustee understands that all amounts owed to employees were paid in full and that there will be no claims pursuant to section 81.3 of the BIA.

6.3 Unsecured Creditors

1. Based on the state of Voltegit's books and records, the Trustee cannot advise if any amounts are owing to the Canada Revenue Agency ("**CRA**") for source deductions or GST. The CRA may conduct a trust examination at a later date.

6.4 Unsecured Creditors

1. As outlined in the SOA, Voltegit has listed unsecured creditor obligations totaling approximately \$1,586,816. As of the date of this Report, the formal process for creditors to prove their claims continues and therefore the amounts on the SOA are subject to change.

7.0 Legal Proceedings

1. The Trustee has not initiated any legal action and all actions initiated against Voltegit prior to the Filing Date are stayed pursuant to Section 69.3 (1) of the BIA.

8.0 Preferences and Transfers at Undervalue

1. At this preliminary stage of the bankruptcy proceedings, the Trustee has not performed a review of Voltegit's books and records with respect to potential fraudulent preferences, settlements, or transfers at undervalue, as defined by the BIA. It is the intention of the Trustee to discuss the scope of its review with the inspectors of Voltegit's estate, assuming inspectors are appointed at the first meeting of creditors.

9.0 Anticipated Realization and Projected Distribution

1. In the SOA, Management reported that the estimated realizable value of Voltegit's assets was approximately \$1.975 million. As detailed herein, based on the information obtained thus far, the Trustee's attendance at the Camp and Athabasca Premises, and the limited information regarding the Farm Assets, it appears that the values reported on the SOA are materially overstated.
2. As of the date of this Report, given the secured interest in favour of CIBC, the Trustee cannot comment as to whether distributions will be made available to Voltegit's ordinary unsecured creditors.

10.0 KSV May Be Appointed to Act for Secured Creditor

1. CIBC may seek to appoint KSV as agent or private receiver of Voltegit pursuant to CIBC's security. As outlined in section 6.1(2) above, Lawson has provided an opinion to KSV confirming that CIBC's security is valid and enforceable as against a trustee in bankruptcy.

11.0 Third Party Guarantee

1. Pursuant to a Third-Party Guarantee dated February 4, 2025, executed by CIBC in favour of the Trustee (as Trustee of Voltegit), CIBC has guaranteed the Trustee's fees and costs (including operating costs) in the event that the recoveries in the estate are insufficient to pay in full the fees and costs of the Trustee.

12.0 Other Matters Regarding the Administration of the Estate

1. Since the Filing Date, notwithstanding repeated follow-up email, telephone, and text message correspondence, the Trustee has received minimal information from Management. The absence of this information is hindering the Trustee's ability to administer the estate and is resulting in significant professional fees and costs. As at the date of this Report, critical information required by the Trustee remains outstanding.

* * *

DATED at Calgary, Alberta, this 20th day of February, 2025.

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
IN ITS CAPACITY AS LICENSED INSOLVENCY TRUSTEE OF
VOLTEGIT ENERGY SERVICES LTD., AND
NOT IN ITS PERSONAL CAPACITY**



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of: Alberta
Division No.: 01 - Edmonton
Court No.: 24-3183742
Estate No.: 24-3183742

In the Matter of the Bankruptcy of:

Volteq Energy Services Ltd.

Debtor

KSV RESTRUCTURING INC.

Licensed Insolvency Trustee

Ordinary Administration

Date and time of bankruptcy:	February 06, 2025, 09:06	Security:	\$0.00
Date of trustee appointment:	February 06, 2025		
Meeting of creditors:	February 21, 2025, 12:00 Via Teams Meeting ID: 255 716 194 610 Passcode: 3nP7hg9i, Alberta Canada,		
Chair:	Trustee		

CERTIFICATE OF APPOINTMENT - Section 49 of the Act; Rule 85

I, the undersigned, official receiver in and for this bankruptcy district, do hereby certify that:

- the aforementioned debtor filed an assignment under section 49 of the *Bankruptcy and Insolvency Act*;
- the aforementioned trustee was duly appointed trustee of the estate of the debtor.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable, to call in the prescribed manner a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the official receiver.

Date: February 06, 2025, 11:17

E-File/Dépôt Electronique

Official Receiver

Canada Place Building, 9700 Jasper Avenue NW, Suite 725, Edmonton, Alberta, Canada, T5J4C3, (877)376-9902

Canada