

VI Electron Sues Highcrest Over Alleged Financial Coercion in Solar Farm Deal

VI Electron claims Highcrest blocked a crucial tax credit sale and forced it to sign a profit-sharing deal under economic duress. The lawsuit seeks to void the agreement to recover at least \$500,000, alleging breach of fiduciary duty and bad faith dealings

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The Petronella Solar Farm on the East End of St. Croix. By. V.I. CONSORTIUM

VI Electron is suing one of its lenders, a company called Highcrest, for what they claim was an unfair last minute requirement imposed at a critical moment, for the sole purpose of enriching Highcrest at VI Electron's expense. VI Electron undertook two solar farm projects in Estates Petronella and Hogensborg which are now complete, with the Petronella farm already providing

power to the grid, and the Hogensborg project undergoing testing work following its interconnection to the grid.

In the civil complaint, filed on Tuesday, VIElectron outlined the financing arrangements backing the projects. In addition to self-financing to the tune of tens of millions of dollars, the company also sought third-party financing, turning to “unconventional lender” Savent.

Savent, the lawsuit explains, functions as somewhat of a clearing house for loans. “Investors are registered Savent users who may review loan listings and may choose to invest in a loan listing corresponding to a borrower's loan,” the complaint outlines. Highcrest, one of those investors, chose to fund the loans for VIElectron's solar projects which, according to the legal framework that had been developed, were owned by various subsidiaries and entities associated with VIElectron.

According to court documents, the fall of 2024 brought financial difficulties to VIElectron and its associated entities. “The maturity dates on the Savent loans were fast approaching,” the lawsuit says. A default on those loans carried the risk that lenders would foreclose on the assets of the Petronella and Hogensborg projects, thus destroying the solar farm projects.

To avoid that risk, the borrowers negotiated the sale of solar investment tax credits, which would raise enough revenue to pay off the loans completely. The success of the solar projects hinged on the successful tax credit sale, the lawsuit argues, something which Highcrest knew.

In October and November of 2024, Savent and Highcrest reportedly convinced the loan parties to add clauses to the loan agreement that would require the lenders to consent to any sale of tax credits for the projects.

The tax credit sale was ultimately agreed “after a prolonged period of negotiations and more than one failed closing,” the lawsuit says, with “all of the parties, including the borrowers, lenders and investors (including Highcrest)” agreeing on acceptable terms. Closing was scheduled for November 19, 2024.

However, the lawsuit says that days prior to that closing date, Highcrest surprised VIElectron with a document titled “Profit Sharing Letter Agreement”, which reportedly demanded a \$500,000 one time payment, between 10 and 50 percent of VIElectron's net profit from the two solar projects, and burdensome oversight rights over the project, and even VIElectron's internal records.

The day before the scheduled closing, “Highcrest announced to counsel and business representatives” of parties to the tax credit sale that “although the terms of the transaction were acceptable, it would not give consent to the sale of the solar tax credits.” This sudden declaration by Highcrest, the complaint alleges, “was in furtherance of its plan to enrich itself unjustifiably at the expense of other participants in the transaction.” There would be no tax credit sale unless the profit sharing agreement was signed, VIElectron was made to understand.

“Highcrest was holding a proverbial financial gun to VIE's head,” the complaint declared. “Left with no alternative, a VIE representative signed the ‘profit sharing’ letter agreements.” With the agreements in place, the sale went through, and in January 2025, the loans from Savent were paid off in full.

In strong-arming VIElectron and its partners into signing those agreements, the lawsuit claims, Highcrest placed VIElectron under undue economic duress. The complaint also alleges a breach of fiduciary duty by Highcrest, as well as tortious interference with existing contractual relations. A

claim for breach of duty of good faith and fair dealing is also being asserted by VIElectron's lawsuit.

The complaint asks the court to void the profit sharing agreements, and to impose judgement against Highcrest for at least the \$500,000 paid under the terms of those agreements, in addition to any other damages proven at trial.

As of press time, Highcrest has not yet responded to VIElectron's civil complaint.

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