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Counsel for the Official Committee of Unsecured Creditors

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH**

In re:

POWER BLOCK COIN, LLC.,

Debtor.

Case No. 24-bk-23041

Chapter 11

Judge Kevin R. Anderson

**LIMITED OBJECTION TO SECOND INTERIM APPLICATION OF PARSONS
BEHLE & LATIMER, COUNSEL TO DEBTOR, FOR ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES**

The Official Committee of Unsecured Creditors (the “Committee”) of the debtor and debtor-in-possession, Power Block Coin, LLC (the “Debtor”), respectfully submits this limited objection (the “Objection”) to the *Second Interim Application of Parsons Behle & Latimer, Counsel to Debtor, for Allowance of Compensation and Reimbursement of Expenses* [[Doc. No. 302](#)] (“Second Fee Application”). In support of this Objection, the Committee respectfully states as follows:

RELEVANT FACTS

1. On June 20, 2024 (the “Petition Date”), the Debtor commenced this proceeding by filing for bankruptcy under Chapter 11 of the Bankruptcy Code, improperly electing to proceed under Subchapter V. [[Doc. No. 1](#)].

2. That same day, the Debtor filed an application to employ Parsons Behle & Latimer (“Parsons”) as attorney for the Debtor. [[Doc. No. 2](#)].

3. On October 9, 2024, Parsons filed its First Interim Application for Compensation (“First Fee Application”), seeking payment of \$179,005.50 in fees and \$12,867.96 in expenses. [[Doc. No. 189](#)].

4. On December 11, 2024, the Court granted the First Interim Application for Compensation. [[Doc. No. 238](#)].

5. On April 8, 2025, Parsons filed the Second Fee Application, seeking payment of \$138,786.50 in fees and \$2,548.74 in expenses incurred between October 1, 2024, and March 31, 2025.

BASIS FOR OPPOSING THE MOTION

6. When it comes to professional fee payment structures, a bankruptcy court has “‘wide discretion’ to authorize many types of fee arrangements—provided the total fee is reasonable when considered against the relevant factors.” *In re Mkt. Ctr. E. Retail Prop., Inc.*, [730 F.3d 1239](#), 1249 (10th Cir. 2013). Here, the Debtor has very limited cash runway with which to reorganize or administer a Chapter 11 plan. Paying Parsons’ fees requested in the Second Fee Application at this time would not be reasonable because it would further reduce the Debtor’s cash available to confirm and administer a plan, and to pay all expected administrative claims in full.

Instead, if the Court decides to allow Parsons’ requested fees on an interim basis, the payment of said fees should be deferred until after a plan has been confirmed, a deadline to file administrative claims has been set and has passed, and such claims have been adjudicated.

ARGUMENT

7. [Section 330\(a\)\(1\)](#) of the Bankruptcy Code provides that the Court may award “reasonable compensation for actual, necessary services rendered by” a professional and “reimbursement for actual, necessary expenses.” [Section 330\(a\)\(3\)](#) specifies that, to determine whether fees are “reasonable,” the Court shall consider “the nature, the extent, and the value of such services, taking into account all relevant factors....”

8. When it comes to professional fee payment structures, a bankruptcy court has “‘wide discretion’ to authorize many types of fee arrangements—provided the total fee is reasonable when considered against the relevant factors.” *In re Mkt. Ctr. E. Retail Prop., Inc.*, [730 F.3d 1239](#), 1249 (10th Cir. 2013).

9. The Committee has no substantive objections to Parsons’ Second Fee Application at this time, although it reserves all rights to object to Parsons’ final fee application in this case. Instead, the Committee asks that, if the Court approves Parsons’ fees and expenses, such fees not be paid at this point but that payment be deferred until after a plan has been confirmed, a deadline to file administrative claims has been set and has passed, and such claims have been adjudicated.

10. As stated above, the Debtor has limited cash available at this point. The Debtor has asserted that it has no bank accounts of its own, and instead pays all of its expenses through and holds all of its money with its parent company, Blue Castle Holdings (“Blue Castle”). On December 10, 2024, a day before the hearing was held on the First Fee Application, Brad Jones

(the CFO for the Debtor) filed a declaration stating that Blue Castle had \$512,153.75 in its Wells Fargo bank account that was available to pay the Debtor's administrative expenses. [[Doc. No. 234](#)]. Because the Court approved the payment of Parsons' First Fee Application in a total amount of \$191,873.46, along with the first fee application of Ampleo, the Debtor's financial advisor, for \$16,895.00 [[Doc. No. 222](#)], the amount in Blue Castle's bank account presumably decreased to approximately \$300,000.

11. Additionally, on April 28, 2025, the Court approved the second fee application of Ampleo for \$12,805.00 [[Doc. No. 318](#)], along with the final fee application of the Subchapter V Trustee for \$8,925.00 [[Doc. No. 317](#)], presumably further reducing the balance of Blue Castle's bank account to approximately \$280,000.

12. These remaining funds currently in Blue Castle's bank account will not be enough to pay all outstanding and expected administrative expenses in this case. Because the Committee's professionals have not yet filed fee applications and have not been paid for any of their work in this case, paying additional funds to Parsons now would likely prejudice the Committee's professionals' ability to be paid.

13. Furthermore, payment of Parsons' Second Fee Application at this point could jeopardize the ability to successfully confirm, and administer, a Chapter 11 plan and push the Debtor into potential Chapter 7 liquidation, which would likely result in less recovery for creditors. It would not be reasonable or productive to jeopardize the cash runway needed to successfully confirm and administer a Chapter 11 plan by paying the Second Fee Application immediately.¹

¹ It is for this exact reason that the Committee professionals have not yet filed any fee applications and, in the Committee's Plan, have even contemplated deferring payment of their fees until after a plan is confirmed. *See First Amended Chapter 11 Plan Proposed by the Official Committee of Unsecured Creditors*, at § 3.2 [[Doc. No. 273](#)].

Instead, this cash should be preserved so a plan can be confirmed and all administrative claimants can receive equal treatment. Thus, payment of any further administrative fees should be deferred until a Chapter 11 plan has been confirmed, a deadline to file administrative claims has been set and has passed, and such claims have been adjudicated.

RESERVATION OF RIGHTS

14. The Committee expressly reserves its right to supplement or amend this Objection, including, without limitation, to add or supplement objections to the Second Fee Application. The Committee further reserves until consideration of final fee applications the right to raise any other concerns regarding the reasonableness of the Second Fee Application.

CONCLUSION

WHEREFORE, the Committee respectfully requests that, if the Court approves the Second Fee Application on an interim basis, that payment of the Second Fee Application not be made until after a plan has been confirmed, a deadline to file administrative claims has been set and has passed, and such claims have been adjudicated.

DATED this 11th day of July, 2025.

GREENBERG TRAURIG LLP

/s/ Abigail J. Stone
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Abigail J. Stone

*Counsel for the Official Committee of
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CERTIFICATE OF SERVICE – BY NOTICE OF ELECTRONIC FILING (CM/ECF)

I hereby certify that on this 11th of July, 2025, I electronically filed the foregoing **LIMITED OBJECTION TO SECOND INTERIM APPLICATION OF PARSONS BEHLE & LATIMER, COUNSEL TO DEBTOR, FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES**, along with all attachments, with the United States Bankruptcy Court for the District of Utah by using the CM/ECF system. I further certify that the parties of record in this case, as identified below, are registered CM/ECF users and will be served through the CM/ECF system.

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/s / Abigail J. Stone

CERTIFICATE OF SERVICE BY MAIL OR OTHER MEANS

I further certify that on July 11, 2025, I caused to be served a true and correct copy of the foregoing document as follows:

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