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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

In re: POWER BLOCK COIN, L.L.C., Debtor	**JOINDER OF MASON SONG IN CREDITORS COMMITTEE'S MOTION TO COMPEL ACCOUNTING, AND LIMITED REPLY IN SUPPORT THEREOF** **(Hearing Scheduled September 24, 2025 at 1:00 p.m.)** Case No. 24-bk-23041 Chapter 11 Judge Cathleen D. Parker

Zhouyang "Mason" Song, a creditor and party in interest in this Chapter 11 case, by and through undersigned counsel, respectfully submits the following Joinder and Limited Reply in Support of the *Motion to Compel Accounting* [Doc. No. 353] (the "**Motion for Accounting**") filed by the Official Committee of Unsecured Creditors (the "Committee"), and in support thereof would show the Court as follows:

PRELIMINARY STATEMENT

1. Before the Court for hearing on September 24, 2025 is the Committee's Motion for Accounting, to which an Objection and Response have been filed by the Debtor and its affiliate, non-Debtor Blue Castle Holdings, Inc. ("Blue Castle"),[1] both of which are under the common control of the Debtor's principal, Aaron Tilton.

2. Mr. Song is a member of the Official Committee of Unsecured Creditors (the "Committee") and has filed a proof of claim in the amount of $28,248,673.70 [Claim No.3-1]. Upon the Court's anticipated approval of the *Motion of Debtor to Approve Stipulation Between Debtor and Celsius Parties Under Bankruptcy Rule 9019* [ECF No. 350] (the "Celsius Settlement Motion"), the claim asserted by Mr. Song will be the single largest claim in this Chapter 11 case.[2]

3. Prior to the appointment of the Committee, which was delayed by the Debtor's frivolous effort to cast this case as one eligible for streamlined treatment under Subchapter V of the Bankruptcy Code (and thereby avoid the appointment of a creditors committee, among other things), it was Mr. Song and the Celsius parties who were the principal protagonists in opposing certain efforts undertaken by the Debtor that they viewed as contrary to applicable provisions of the Bankruptcy Code and Rules and the interests of creditors generally. Accordingly, and recognizing that this case only recently has been assigned to this Court, Mr. Song files this Joinder

[1] *Objection of Non-Debtor Blue Castle Holdings, Inc. to Motion of the Official Committee of Unsecured Creditors to Compel Accounting* [Doc. No. 361] and *Debtor Power Block Coin, L.L.C.'s Response to the Official Committee of Unsecured Creditor's Motion to Compel Accounting* [Doc. No. 362] (collectively, "Tilton Responses").

[2] The Debtor's proposed settlement with Celsius, to which no objections have been filed, fixes the amount of Celsius' allowed nonpriority unsecured claims at $17,772,354 and $1,983,110, for a total of $19,755,464.

and Limited Reply in order to provide a broader historical backdrop as relevant to the current status of the case and issues raised in the Motion for Accounting and Tilton Responses.

JOINDER AND LIMITED REPLY

4. More than a year into a case that was falsely presented as a Subchapter V case with less than $7.5 million in debt,[3] this case with almost $200 million in filed claims[4] languishes without substantial progress toward resolution as the Debtor, Blue Castle and other affiliates – all having made, received or benefited from the Debtor's multiple fraudulent transfers of funds that left the Debtor wholly insolvent -- continue down their contentious path in an effort to thwart the will of creditors and the plain requirements of the Bankruptcy Code.

5. It was the combination of those eight-figure, prepetition transfers to insiders (giving rise to potential avoidance claims that the Debtor has failed to investigate or pursue as the statute of limitations continues to run) and a contention that the Debtor was "unbankable" because of its initial focus on cryptocurrency assets that led to the Court's approval of the unorthodox "Services Agreement" with Blue Castle. Notwithstanding prior representations to the Court under penalty of perjury that certain amounts held in a Blue Castle account would be available to pay administrative expenses,[5] Blue Castle now takes the position that those funds never were property of the estate and have been diverted to other uses, and that its only obligation to the estate is under the terms of

[3] The case was filed on June 20, 2024 (the "Petition Date"), immediately before the Subchapter V debt limit was reduced to its current cap of $3,424,000.

[4] As reported in the Celsius Settlement Motion, the total amount of claims asserted in this case is $192,521,332.36, and after the reduction of the Celsius claims from $133,289,233.61 to $19,755,464 as sought by that Motion the remaining claims amount will be $78,987,562.75 – far in excess of the $7,500,000 Subchapter V debt limit in effect as of the Petition Date.

[5] *Declaration of Brad Jones in Support of Blue Castle Holdings, Inc.'s Wherewithal to Pay Fees Under the Management Services Agreement and This Court's Order on Cash Management* [Doc. No. 234] (the "Jones Declaration").

the Blue Castle Note. As a result, the estate is left administratively insolvent and without funds to proceed – unless the Committee capitulates and agrees to pursue a joint plan of reorganization with the Debtor (the "Joint Plan") that, to say the least, has proven to be elusive.

6. The inalienable fact is that there is no Joint Plan until there is a Joint Plan, and the prospect for any such Plan grows bleaker with each contentious issue that arises between the Committee on the one hand and the Debtor and Blue Castle on the other. Without invading the settlement privilege that attaches to the June 27, 2025 mediation between and among those parties before the Hon. Judge Peggy Hunt, the Debtor and Blue Castle's inability or unwillingness to fund administrative expenses from the Blue Castle account funds that were the subject of the Services Agreement, along with other critical issues that have remained open and unresolved in the period of almost three months since that mediation, leads inexorably to the conclusion that there will be no Joint Plan.

7. Blue Castle's accusation that the Committee and its counsel are trying to "retrade" an "agreement" reached at the mediation but not referenced anywhere in the Mediation Agreements prepared by Judge Hunt is both patently false and offensive. Moreover, the present dispute over the Motion for Accounting, and the harsh rhetoric employed in the Tilton Responses, demonstrates just how far apart the parties are and suggests to the Court that other measures need to be taken in order to advance this unduly contentious and long-languishing case to conclusion. If notwithstanding the prior assurances provided in the Jones Declaration the Debtor is without funds to pay administrative expenses, then there is nothing to be gained from further pursuit of a Joint Plan to which the Debtor and Blue Castle would hold such funds hostage.

8. The Tilton Responses serve as an admission that the estate is administratively insolvent, and accordingly that no Chapter 11 plan (other than a Joint Plan into which the Debtor

would seek to coerce the Committee) can be confirmed. *See* section 1129(a)(9)(A) of the Bankruptcy Code, 11 U.S.C. §1129(a)(9)(A). Accordingly, Mr. Song respectfully submits that in addition to granting the Motion for Accounting so that the Committee can obtain the financial information that the Debtor and Blue Castle continue to withhold (despite their protests to the contrary), the Court should consider seriously whether to issue an order to show cause why the case should not be converted or a trustee appointed.

9. There is a level of urgency associated with this request, as the two-year limitations period applicable to the multiple pre-petition transfers that may be subject to avoidance will run in June of 2026. If the Committee were to confirm its own plan of liquidation[6] over objection by the Debtor in a protracted confirmation process the plan administrator will have precious little time remaining to obtain documents the Debtor has failed to produce, conduct an investigation the Debtor has failed to conduct and is hopelessly conflicted from conducting, and face the prospect that certain valuable claims against Tilton and other insiders and affiliates will be lost. The unsatisfactory pace of those negotiations, and the escalating acrimony between the parties as reflected in the Tilton Responses, almost suggests an effort by Tilton, the Debtor and Blue Castle to "run out the clock" on those claims while withholding the information deemed necessary by the Committee to discharge its responsibilities to creditors and the estate.

[6] *First Amended Chapter 11 Plan Proposed by the Official Committee of Unsecured Creditors* [Doc. No. 273]. The disclosure hearing on the Committee Plan has been deferred several times in an effort to encourage negotiations on the Joint Plan that have proven to be fruitless, and now is scheduled for November 18. 2025.

WHEREFORE, creditor Zhouyang "Mason" Song joins in the Committee's Motion for Accounting, offers this Limited Reply to the Tilton Responses, and respectfully requests that the Court enter such relief as is lawful, appropriate and just in the circumstances of this unduly long and contentious case.

DATED this 22nd day of September, 2025.

BAKER & MCKENZIE LLP

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CERTIFICATE OF SERVICE

I hereby certify that on the 22nd day of September 2025, the foregoing was electronically filed with the Court and served to the parties in the manner designated below:

(1) by filing on the Courts' docket, which sent notice by electronic mail to the following:

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/s/ Austin B. Egan
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