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Acting United States Trustee, Region 19

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF UTAH**

In re:	Bankruptcy Case No. 24-23041
POWER BLOCK COIN, L.L.C.,	Chapter 11
Debtors.	Hon. Cathleen D. Parker

***EX-PARTE* MOTION FOR AN ORDER AUTHORIZING UNITED STATES TRUSTEE
TO CONDUCT AN EXAMINATION PURSUANT TO FEDERAL RULE OF
BANKRUPTCY PROCEDURE 2004 OF WELLS FARGO BANK**

The Acting United States Trustee (“U.S. Trustee”) through his undersigned counsel, hereby moves this Court *ex-parte* for an order allowing the examination of Wells Fargo Bank pursuant to Rule 2004 of the Federal Rules of Bankruptcy Procedure.

In support of this Motion, the United States Trustee respectfully represents as follows:

1. The Court has jurisdiction of this matter under 28 U.S.C. §§ 1334(a) and (b); 28 U.S.C. §§ 157(a) and (b)(1); and 28 U.S.C. §151. This Motion is filed pursuant to Fed. R. Bankr. P. 2004.

2. On June 20, 2024 (“Petition Date”) the Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. § 101 et seq (the “Bankruptcy Code”).

3. The Debtor has stated that it made two prepetition loans to its parent company, Blue Castle Holdings (“Blue Castle”), \$751,000 on April 3, 2023 and \$1,400,000 on August 8, 2023 (collectively, the “Blue Castle Loan”). *See* Dkt. #8 at ¶ 37. The Debtor has stated that the balance on the Blue Castle Note as of the Petition Date was approximately \$1,161,248.94. *See* Dkt. #7 at ¶ IV.A.

4. The balance of the Blue Castle Note is an asset of the Debtor’s bankruptcy estate.

5. The Debtor has stated that its bank closed its bank account prepetition and that it entered into a Services Agreement (“Services Agreement”) with Blue Castle as a way to continue to pay the Debtor’s expenses. Dkt. #8 ¶ 13-14:

(13) Following the failures of other cryptocurrency exchanges such as Coinbase, FTX, and Celsius Network, many traditional banking institutions ceased providing business banking services to crypto-related businesses. In approximately December of 2023, [the Debtor’s] banking institutions closed its accounts, which complicated [the Debtor’s] ability to manage its cash and payments. While [the Debtor] continued to hold and exchange cryptocurrencies on its platform, it had to establish new mechanisms to pay its dollar-denominated operational expenses and take payments of dollar-denominated assets such as loans.

(14) s a workaround, [the Debtor] entered into a Management Services Agreement dated as of December 1, 2023, with Blue Castle (the “Services Agreement”) whereby Blue Castle, using its own bank accounts, pays for certain [Debtor] obligations such as professionals’ fees, utilities attributable to [the Debtor], and

third-party payables on behalf of [the Debtor] whenever U.S. dollars are required. Further, Blue Castle also provides certain goods and services such as management services, utilities, office space, internet server hosting costs for [the Debtor's] cryptocurrency exchange Platform and website, and the like.

6. On June 20, 2024, as part of its first day motions, the Debtor filed a motion (the "Cash Management Motion") in which it asked the Court to allow the Debtor to continue to pay its operating expenses through the Services Agreement. Blue Castle would use money from its bank account to pay for the Debtor's obligations. *See* Dkt. #7.

7. In the Cash Management Motion, the Debtor stated: "To ensure transparency, the Debtor would file with its monthly operating reports statements showing its cryptocurrency holdings, which, as noted above, are not expected to be used to fund operations during the Chapter 11 Case. Further, the Debtor will file statements from Blue Castle detailing all payments being made on the Debtor's behalf and an accounting of the amount remaining due under the Blue Castle Loan." Dkt. #7 at p.8.

8. In the order that granted the Cash Management Motion ("Cash Management Order"), the Court prohibited Blue Castle from deducting the 10% fee. *See* Dkt. #181 at ¶ 2(c).

9. The Cash Management Order at ¶¶ 5-6 further stated:

(5) In connection with the ongoing utilization of Blue Castle's services under the Service Agreement, the Debtor shall continue to maintain strict records with respect to all transfers so that all transactions may be readily ascertained, traced, recorded properly, and distinguished between pre-petition and post-petition transactions, and to provide same to the U.S. Trustee on a monthly basis.

(6) The Debtor shall file with its monthly operating reports statements showing its cryptocurrency holdings. Further, the Debtor will file statements from the bank account used by Blue Castle, which will show all payments being made on the Debtor's behalf and an accounting of the amount remaining due under the Blue Castle Loan.

10. The Debtor has not provided the full and complete accounting and the bank

statements required by the Cash Management Order.

11. The United States Trustee seeks leave to conduct an examination of Wells Fargo Bank, where Blue Castle maintains its bank account, to determine the how this particular asset of the Debtor's estate has been handled throughout the case.

12. The United States Trustee proposes to conduct the Rule 2004 Examination of Wells Fargo Bank, by way of a subpoena *duces tecum*, and/or by way of an oral examination, to the extent necessary, at the Office of the United States Trustee, Washington Federal Bank Building, 405 South Main Street, Suite 300, Salt Lake City, UT 84110 or via video conference to be facilitated by CRC Salomon. The proceedings will be recorded by stenographic means and will continue until adjourned. The recording of the examination shall only be transcribed upon request and payment of the transcription costs shall be by the requesting party.

13. To the extent it becomes necessary, the United States Trustee may seek to use the transcript of such Rule 2004 Examination in any action commenced by the United States Trustee or any other party against the Debtor.

14. Unless otherwise stipulated in writing, the United States Trustee will provide Wells Fargo Bank not less than 14 days written notice of the examination and the attendance of Wells Fargo Bank and the production of documents will comply with Bankruptcy Rule 2004(c).

WHEREFORE, the United States Trustee prays that this Court enter an order allowing the examination of Wells Fargo Bank pursuant to Federal Rule of Bankruptcy Procedure 2004.

Date: September 10, 2025

Gregory M. Garvin
Acting United States Trustee, Region 19

/s/ Melinda P. Willden
MELINDA P. WILLDEN
Attorney for the United States Trustee