


Personal Letter to the Honorable Judge Cathleen Parker regarding Case No. 24-bk-23041

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Clerk of the Court
United States Bankruptcy Court
District of Utah
350 South Main Street, Room 301
Salt Lake City, UT 84101

Honorable Judge Parker,

In 2021, my wife and I invested approximately \$400,000 in Power Block's SMARTFI crypto ecosystem, representing a significant portion of our life savings. As original investors, we purchased SMARTFI crypto tokens that included a "buy-back guarantee" as outlined in the white paper, providing a measure of security. Unfortunately, this guarantee is now threatened by large creditor interests that could dilute recoveries for investors like us. My friends-and-family group represents an aggregate investment of about \$900,000.

Recent crypto market turmoil and disputed claims have prolonged this case, despite our continued confidence in Aaron Tilton's ability to fulfill the original buy-back guarantee for legitimate SMARTFI investors.

I respectfully share our perspective and concerns as you consider this complex Chapter 11 case. Many small "mom and pop" investors in the Intermountain West are following these proceedings closely, and I urge you to prioritize our interests.

Although not a member of the Official Committee of Unsecured Creditors (UCC), my wife was listed as an alternate, and we have followed the proceedings intently. We are aware of significant discord and dysfunction within the committee. While intended to act as a fiduciary, the UCC does not, in my view, represent the best interests of dozens of original creditors to Power Block/SMARTFI. The proceedings have extended over a year, accruing nearly \$2 million in professional fees to the estate (e.g., Docs. 259, 310).

I have serious concerns about the claims of UCC members Mason Song, Celsius Network LLC, and Jason Brown, and believe the committee's actions have not benefited all creditors. Any UCC-directed plan would likely harm my investment, resembling a liquidation that dilutes recoveries for original investors through unverified claims. A Chapter 11 with a UCC-appointed trustee would exacerbate this issue.

The UCC's Amended Chapter 11 Plan (Doc. 273, filed March 7, 2025) offers no assurance that Celsius and Mason Song's claims will be scrutinized before distributions, potentially leading to unfair dilution. This omission may violate § 1129(a)(3), as plans must be proposed in good faith, per precedents like *In re Integrated Telecom Express, Inc.*, 384 F.3d 108 (3d Cir. 2004), where ignoring disputed claims undermined confirmation.

Celsius' ~\$133 million and Mason Song's ~\$24.9–\$28.2 million unsecured claims (Doc. 274, p. 5; later filings confirm ~\$28.2 million for Song, over 35% of total claims) dominate Class 3, yet their validity is questionable. Celsius' claims, linked to stayed adversary proceedings (Case Nos. 24-02093, 24-02094), have fluctuated dramatically (from ~\$4 million to over \$100 million in prior estimates). Mason Song's claim may arise from a loan by SmartFi/Power Block that he allegedly defaulted on (Doc. 274, p. 6), raising issues of setoff or counterclaims. The Disclosure Statement (Doc. 274, p. 7) highlights the debtor's failure to account for ~\$133 million in dissipated crypto assets, suggesting possible inflation. Additionally, UCC member Jason Brown has ongoing litigation against Tilton (Adversary Proceeding 25-02000, filed ~February 2025), seeking millions from the estate.

I respectfully request that any plan confirmation be conditioned on a prompt Rule 3007 review of Celsius, Brown, and Song's claims, with disallowance if meritless. I also ask for scrutiny of their UCC status under § 1102(b)(1) via an evidentiary hearing, given potential conflicts.

Please consider the “best interests of creditors” test under § 1129(a)(7). Legitimate original investors, like my group (~\$900,000 aggregate), would fare better if Tilton honors the buy-back guarantee using his reported assets (estimated \$50M+ in filings) rather than through pro rata distributions diluted by over \$100 million in disputed claims. Original investors face <5–10% recovery under the UCC plan’s Class 3 treatment (Doc. 274 estimates), versus potential full recovery via direct enforcement.

I support Aaron Tilton, as do many smaller original investors. I trust him to use remaining resources to restore our investments. I endorse his Motion to Convert to Chapter 7 (Docket No. [e.g., 420], filed November 18, 2025), as it would enable a neutral trustee to maximize value under § 1112(b) by pursuing Tilton’s holdings to fulfill the guarantee.

Judge Marker, it has been deeply stressful watching our investment contested by interests with disputed claims, while estate funds diminish under ineffective UCC oversight. The case’s direction and Tilton’s control should not be dictated by a committee potentially tainted by invalid claims. Please show compassion for small investors like us—who lack a seat at the table but hold valid stakes—by granting Tilton the latitude to make this right.

With my respect,

Michael Brewer, Colonel, USAF

This letter is submitted in good faith based on the court’s docket and my understanding as a creditor. I intend no disrespect to any party or the Court.