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Acting United States Trustee, Region 19

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**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF UTAH**

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

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**ACTING UNITED STATES TRUSTEE’S LIMITED OBJECTION TO THE MOTION  
TO TERMINATE THE AUTOMATIC STAY WITH RESPECT TO THE  
MANAGEMENT SERVICES AGREEMENT**

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The Acting United States Trustee for Region 19, through his counsel, files this Limited Objection (“Objection”) to the Motion to Terminate the Automatic Stay with Respect to the Management Services Agreement (“MSA Motion”) filed by Blue Castle Holdings, Inc. (“Blue Castle”). The U.S. Trustee requests that: (i) resolution of the MSA Motion be continued until a case trustee has been appointed and has been given time to review the case and file a response to the MSA Motion; and (ii) if the MSA Motion cannot be delayed, that the impact on the Debtor

and/or its creditors and customers should be clarified. In support of this Objection, the U.S. Trustee respectfully states as follows:

**I. SUMMARY OF RELEVANT FACTS**

1. The Debtor filed a voluntary petition (“Petition”) for relief under Chapter 11 of the Bankruptcy Code on June 20, 2024 (“Petition Date”).
2. The Debtor is wholly owned by Blue Castle.
3. Aaron Tilton signed the Petition in his capacity as President and CEO of the Debtor. Tilton is also the CEO of Blue Castle.
4. Brad Jones is the Chief Financial Officer of the Debtor and of Blue Castle.
5. Prior to the Petition Date, the Debtor entered into a Management Services Agreement (“MSA”) dated as of December 1, 2023, with Blue Castle whereby Blue Castle, using its own bank accounts, pays for certain of the 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. *See* Declaration of Aaron Tilton, filed at Dkt. #8 at ¶ 14.
6. On July 20, 2024, the Debtor filed the Debtor’s Motion for an Order (1) Authorizing Continued Use of Debtor’s Payment System Through Services Agreement with Blue Castle Holdings Inc., (2) Waiving Certain Investment and Deposit Guidelines, and (3) Granting Related Relief (“Cash Management Motion”). *See* Dkt. #7.
7. The statutory predicate for the Cash Management Motion was 11 U.S.C. § 105(a).
8. After objections were filed and discussions and negotiations between the parties, the

Court entered an order granting the Cash Management Motion as modified. *See* Dkt. #181 (“Cash Management Order”).

9. The Cash Management Order at ¶ 3 states: “Nothing herein shall constitute an assumption or cure of the [MSA]. Blue Castle or the Debtor may not terminate or discontinue performance under the [MSA] unless the Court authorizes such action upon a request made by motion with notice that complies with Bankruptcy Rule 2002(a).”
10. On October 21, 2025, the Unsecured Creditors Committee (“Committee”) filed a Motion to Appoint Chapter 11 Trustee (“Motion to Appoint Chapter 11 Trustee”). *See* Dkt. #413.
11. On November 6, 2025, the Debtor filed a Notice of Conversion of Case to Chapter 7 (“Notice of Conversion to Chapter 7”). *See* Dkt. #419.
12. On November 10, 2025, Blue Castle filed the MSA Motion, citing 11 U.S.C. § 326(d)(1) as the statutory grounds for relief. *See* Dkt. #428.
13. On November 18, 2025, the Court heard oral argument regarding the Motion to Appoint Chapter 11 Trustee and the Notice of Conversion to Chapter 7 and took the matter under advisement. As of the date this Objection is filed, the Court’s decision is still pending.

## **II. DISCUSSION**

For the following reasons, the decision regarding the MSA Motion should be continued until after the Court has entered its decision regarding the Motion to Appoint Chapter 11 Trustee and the Notice of Conversion to Chapter 7, and the new case trustee has been appointed and has had opportunity to become familiar with this case and can file a response to the MSA Motion. If the MSA Motion cannot be continued, the Debtor and/or Blue Castle should describe with specificity the impact that terminating the MSA will have on the Debtor. In the alternative, the MSA Motion should be denied without prejudice.

**A. Resolution of the MSA Motion Should Be Delayed Until a Case Trustee Has an Opportunity to File a Response.**

A decision to appoint a chapter 11 trustee, or to convert this case to chapter 7 and appoint a chapter 7 is still pending. A case trustee may need to make document requests, or ask questions about the Debtor's management and activities. Terminating the MSA at the point of the case's transition may complicate the trustee's duties.

The U.S. Trustee respectfully requests that the hearing on the MSA Motion be continued until a case trustee has been appointed and has had time to review the case and file a response.

**B. The Debtor and/or Blue Castle Should Describe with Specificity the Impact That Terminating the MSA Will Have on the Debtor.**

In the event that the MSA is cancelled before a case trustee has taken over, and to avoid later confusion, the precise impact on the Debtor should be spelled out. Much of the difficulty in administering this case has stemmed from unique arrangement in which the Debtor, despite having its own executive officers, contracts with Blue Castle to "provide and perform ... the oversight and management services generally provided by executive management." MSA at 1(a). The U.S. Trustee has informally communicated with counsel for Blue Castle and the Debtor. Blue Castle and the Debtor believe that there will not be a large impact if the MSA is cancelled. However, nothing in this case has ever been as simple as anyone might wish. The U.S. Trustee presents the follow issues as questions that may need to be discussed if the MSA is terminated before a case trustee can weigh in.

The Debtor's Executive Management Team. Aaron Tilton is CEO of the Debtor. To the best of the U.S. Trustee's knowledge, Brad Jones is the Debtor's Chief Financial Officer. Informal communications suggest that Mr. Jones may quit/resign as soon as the MSA is terminated because he is an employee. Mr. Jones's future role should be clarified. Will Mr. Jones continue to serve as the Debtor's CFO? If a case trustee has questions about the Debtor's

accounting records, who will answer them?

The Debtor's Records May Be Intermingled with Blue Castle. Throughout this case, Blue Castle has closely guarded its own financial information. In the event that some of the Debtor's financial or management information is mixed in with Blue Castle's information, and a case trustee requests the Debtor's information, who will untangle the records?

Will Crypto Customers Be Affected? The Debtor may or may not be maintaining a platform that allows crypto customers to trade their own cryptocurrency. How will these crypto customers be affected if the MSA is terminated?

What Will Happen to Blue Castle's Hillcrest Bank Account? The Debtor is unbanked. Blue Castle has maintained a bank account at Hillcrest in its own name, which it has used to pay the Debtor's expenses. It is the U.S. Trustee's understanding that the funds in this bank account have been deducted from the Blue Castle Note, which may make those funds property of the Debtor. This bank account should be maintained until a case trustee can determine if the estate has a claim on those funds.

These questions and hypotheticals could be resolved simply by waiting until after a case trustee has been appointed and has had time to become familiar with the case.

### III. CONCLUSION

WHEREFORE, the United States Trustee respectfully requests that the Court continue the hearing on the MSA Motion until after a case trustee has been appointed and has been given time to review the situation and file a response to the MSA Motion. In the alternative, the U.S. Trustee requests that the MSA Motion be denied without prejudice.

Date: December 19, 2025

UNITED STATES TRUSTEE  
By: /s/ Melinda P. Willden  
MELINDA P. WILLDEN  
Attorney for the United States Trustee

**CERTIFICATE OF SERVICE BY ELECTRONIC NOTICE (CM/ECF)**

I hereby certify that on December 19, 2025, I electronically filed the foregoing document 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.

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**CERTIFICATE OF SERVICE BY MAIL OR OTHER MEANS**

I hereby certify that on December 19, 2025, I caused to be served a true and correct copy of the foregoing document as follows:

**Mail Service: First-class U.S. mail, postage pre-paid, addressed to:**

NONE

**Mail Service to all Parties in Interest: First-class mail, postage pre-paid, addressed to all parties who do not receive electronic service as set forth herein listed on the Official Court Mailing Matrix dated December 19, 2025 attached hereto:**

NONE

Date: December 19, 2025

/s/