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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

Case No. 24-bk-23041

Chapter 11

Judge Cathleen D. Parker

**EX PARTE MOTION TO SHORTEN TIME OF THE OBJECTION PERIOD AND
FOR EXPEDITED HEARING ON MOTION FOR DERIVATIVE STANDING**

Proposed Objection Deadline on Underlying Motion: March 2, 2026

Proposed Hearing Date On Underlying Motion: March 6, 2026, at 1:00 P.M. MT

Pursuant to Federal Rule of Bankruptcy Procedure 9006(c) and Local Rules 9006-1 and 9013-1(m), the Official Committee of Unsecured Creditors (the “Committee”) of the Debtor Power Block Coin, L.L.C. (the “Debtor”), by and through counsel, hereby files this *ex parte* motion seeking entry of an Order shortening the time of the objection period and for an expedited hearing on the Committee’s *Motion for Derivative Standing* (the “Motion”), which has been filed contemporaneously herewith. In support hereof, the Committee states as follows:

I. JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the District of Utah (the “Court”) has jurisdiction over this Motion pursuant to [28 U.S.C. § 1334](#).
2. This matter is a core proceeding within the meaning of [28 U.S.C. § 157\(b\)\(2\)](#).
3. Venue is proper in this district pursuant to [28 U.S.C. §§ 1408](#) and [1409](#).

II. BACKGROUND

4. On June 20, 2024 (the “Petition Date”), the Debtor commenced this case by filing for bankruptcy under Chapter 11 of the Bankruptcy Code. [Doc. No. [1](#)].

14. Numerous insider and accounting issues exist in this case, including “three notes receivable made by [the Debtor’s] affiliates”—Solara, Blue Castle, and SmartFi Lending—which notes constitute the Debtor’s primary assets (the “Affiliate Notes”). [Doc. No. [242](#)] at 22. *All of these Notes arise from pre-petition insider transfers of the Debtor’s funds* (the “Affiliate Loans”). These Affiliate Loans were “made at favorable interest rates to the Debtor’s affiliates” and are “unsecured obligations with no payments due until their respective maturity dates” that do not come due until August 2028, September 2028, and March 2032, respectively. *Id.* SmartFi Lending, Solara Communities, LLC, and Blue Castle (the “Affiliates”) are all affiliates of the Debtor.

15. The Committee has raised the issue of these insider notes and Affiliate Loans with the Debtor multiple times and has asserted that the Debtor should bring claims related to these notes and loans.

16. However, the Debtor has stated that “pursuing those [Affiliate Loans] as Avoidance Actions would be costly and risky,” and therefore, has declined to pursue them. *See* [Doc. No. [242](#)] at 27.

17. On October 21, 2025, the Committee filed a motion to appoint a Chapter 11 trustee (the “Trustee Motion”), and in that motion, highlighted the rapidly approaching § 546(a) statute of limitations deadline for avoidance actions, which is set to run on June 20, 2026. [Doc. No. [413](#)] at 20.

18. On November 7, 2025, the Debtor responded by filing a motion to convert the case to Chapter 7 (the “Conversion Motion”) [Doc. No. [422](#)].

19. On November 18, 2025, the Court held a hearing on the two motions, as well as the Committee’s motion to approve its disclosure statement under its plan. The Court took the matters under advisement.

20. While the Bankruptcy Code establishes a deadline as set forth in [11 U.S.C. § 1112\(b\)\(3\)](#) for ruling on motions brought thereunder, there has not yet been a decision on the Committee’s Trustee Motion or the Debtor’s Conversion Motion.

III. APPLICABLE LAW

21. Pursuant to Local Rules 9006-1(b) and 9013-1, the Committee is required to give 14-days’ notice for a response deadline on a Motion.

22. Additionally, pursuant to Local Rule 9006-1(b)(1) and 9013-1, the deadline to file responses to the Motion may not be set less than four days before the date set for the hearing.

23. However, given (1) the quickly approaching statute of limitations, (2) the immediate need to pursue avoidance actions to protect the interests of creditors, and (3) the

consensus amongst all parties that the Debtor be removed from control, cause exists to shorten the objection period and expedite the hearing on the Motion.

IV. RELIEF REQUESTED

24. The Committee requests Court approval to shorten the notice and objection period for the Motion down to 10 days from the date of this request and service of the accompanying proposed notice, pursuant to Local Rule 9013-1(m), for an objection deadline of March 2, 2026, and a reply deadline of March 4, 2026.

25. Additionally, the Committee requests that the Court shorten time related to the hearing on the Motion and hold the hearing on March 6, 2026, at 1:00 p.m. Mountain Time.

26. The Committee will serve appropriate notice to all parties required to receive such notice, with the notice containing the above proposed dates. In the event the Court does not grant this motion for order shortening time, or modifies the dates proposed by the Committee herein, the Committee will mail an amended Notice of Hearing to all parties informing them of the Court's order and the updated deadlines.

27. Cause exists to grant this motion and allow the shortened notice time proposed herein. As stated in the Motion, the colorable claims against Debtor insiders and affiliates are the primary assets of the bankruptcy estate. However, the statute of limitations on these claims will run in approximately four months. There is no trustee to take up these claims at this time, and the Debtor has declined to pursue such claims. Allowing expedited review of the Motion will allow the Committee to step in, preserve these key claims, and pave the way for a trustee who can later take up this torch for the benefit of creditors. Again, all parties have agreed that a trustee should

take control of this case; the Motion simply allows the Committee to take up the work and preserve/protect estate assets while the decision regarding a trustee is pending.

V. **CONCLUSION**

For the foregoing reasons, the Committee respectfully requests that the Court grant this motion and enter the accompanying order.

Dated: February 20, 2026

Respectfully submitted,

GREENBERG TRAURIG, LLP

/s/ Abigail Stone
Annette W. Jarvis
Carson Heninger
Abigail J. Stone

Attorneys for the Committee

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

I hereby certify that on February 20, 2026, I electronically filed the foregoing 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 Stone

CERTIFICATE OF SERVICE – MAIL, OTHER

I further certify that I caused to be served a true and correct copy of the Notice as follows:

Mail Service – By regular first-class United States Mail, postage fully pre-paid, addressed to:

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