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

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In re:

POWER BLOCK COIN, L.L.C.

Debtor

Case No. 24-bk-23041-CDP

Chapter 11

Judge Cathleen D. Parker

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**DEBTOR'S LIMITED OPPOSITION TO MOTION FOR DERIVATIVE STANDING**

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**INTRODUCTION**

Power Block Coin, L.L.C., debtor in the above-captioned bankruptcy (“**SmartFi**” or the “**Debtor**”), by and through counsel, files this Opposition (the “**Opposition**”) to the Emergency Motion for Derivative Standing (ECF 461) (the “**Motion**”) filed by the Official Committee of Unsecured Creditors (the “**Committee**”). At a minimum, the Motion is premature and should be denied without prejudice or held in abeyance pending a decision on the Debtor’s Motion to Convert (ECF 422) (“**Conversion Motion**”) or the United States Trustee’s Motion for Appointment of a Chapter 11 Trustee (ECF 413) (“**Trustee Motion**”), either of which will moot the Motion in its entirety. Moreover, the Committee’s concerns can be resolved on far less drastic grounds than

having the Committee dive into expensive, duplicative (of the Trustee once appointed), and likely unnecessary litigation for which the estate has no funds at this time. Specifically, the potential targets have all entered into tolling agreements, attached as Exhibit A hereto. Accordingly, there is no exigency, and the Chapter 7 or Chapter 11 Trustee, who will have a full year under section 546(a)(1) to pursue avoidance actions once appointed will be able to pursue them for the benefit of the estate. Accordingly, the Court should deny the Motion without prejudice or hold it in abeyance pending decisions on the Trustee Motion and Conversion Motion.

### **ARGUMENT**

The Committee seeks to immediately commence litigation on behalf of the Debtor, including against the Debtor's employees, agents, and equity holders. The only reason identified by the Committee supporting its emergency Motion is that the relevant statute of limitations for certain avoidance actions will expire four months from now pursuant to section 546(a) of the Bankruptcy Code. That reason is entirely mooted by the tolling agreements and the imminent appointment of a trustee. And the harm that will come to the already cash-poor estate to its stakeholders from a Committee that has run up millions of dollars in fees (without filing a fee application) is drastic. Every dollar spent on this comes right out of creditors' pockets. The Committee will be churning out even more fees, which are unpayable at this time. And all of that work may be completely superfluous in light of the imminent appointment of a chapter 11 or chapter 7 trustee.

As acknowledged by the Committee, there are already two pending motions, either of which would moot the Committee's request entirely if granted. Indeed, the United States Trustee's Motion to Appoint a Chapter 11 Trustee (ECF 413) (the "**Trustee Motion**") and the Debtor's

Pending Motion to Convert Case to Chapter 7 (ECF 422) (the “**Conversion Motion**”) have both been fully briefed, heard, and are ripe for a decision. If either is granted, a trustee would be appointed immediately and the statute of limitations under section 546(a)(1) will be extended for an additional year, eliminating any statute of limitations concern. *See* 11 U.S.C. § 564(a)(1)(B). If the Conversion Motion is granted, such conversion would also automatically dissolve the Committee, eliminating both the grounds for its Motion and the Committee’s standing to pursue it. *In re Constellation Enters. LLC*, 587 B.R. 275, 286 (D. Del. 2018) (noting that upon conversion, “the chapter 11 order for relief became an order for relief under chapter 7 . . . and the Committee automatically dissolved.”).

The Committee’s actions have already given rise to millions of dollars in unpaid fees, and the Debtor’s available cash continues to dwindle. And the Committee has no one to blame but itself as the Committee walked away from a resolution of all estate causes of action that would have yielded \$24.5 million to the estate and a complete resolution. There is simply no reason to allow the Committee to incur additional and substantial costs associated with investigating and/or pursuing avoidance actions when a trustee will soon be appointed and start the entire process over (and likely incurring additional costs in doing so). Absent a decision by the Court denying both the Trustee Motion and Conversion Motion, there is simply no reason to consider the Committee’s request at all. Therefore, the Court should deny the Motion without prejudice or hold it in abeyance pending such a decision.

In addition to being premature, the Committee’s Motion seeks a far more drastic form of relief than is actually necessary. The Committee claims that the relief it seeks is necessitated by the approaching section 546(a)(1) deadline. That concern is already addressed much more

efficiently through the tolling agreements with the targets of the Committee’s potential claims, attached as Exhibit A hereto. Such agreements would eliminate the Committee’s concerns, provide the Court sufficient time to render its decisions on the Trustee’s Motion and/or Conversion Motion, and have been recognized as a permissible mechanism of extending the statutory deadlines in section 546(a). *See In re Com. Fin. Servs., Inc.*, 294 B.R. 164, 175 (Bankr. N.D. Okla. 2003) (“§ 546(a) is a statute of limitations . . . that may be waived or extended by an agreement between the parties.”). The Debtor is happy to work directly with the Committee and any targets of its potential claims to negotiate such agreements if given an opportunity to do so. The Court should thus deny the Motion without prejudice.

**CONCLUSION**

For the reasons above, the Debtor respectfully requests that the Motion be denied without prejudice or held in abeyance pending the Court’s decisions on the Trustee Motion and Conversion Motion.

Dated this 2nd day of March, 2026.

**PARSONS BEHLE & LATIMER**

/s/ Brian M. Rothschild

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Brian M. Rothschild

*Attorneys for Power Block Coin L.L.C.*

# **Exhibit A**

## TOLLING AGREEMENT

1. This Tolling Agreement is entered into between and among each of the following parties (collectively, the “**Tolling Parties**”):

- a. Power Block Coin, LLC (the “**Debtor**”), Chapter 11 debtor in Case No. 24-BK-23041-CDP now pending in the United States Bankruptcy Court for the District of Utah (the “**Bankruptcy Case**”), both individually and on behalf of the Debtor’s bankruptcy estate; and
- b. Aaron Tilton (“**Tilton**”), and
- c. Tom Retson (“**Retson**”), and
- d. Energy Path Corporation (“**EPC**”), and
- e. Transition Power Development LLC (“**TPD**”), and
- f. Solara Communities LLC (“**Solara**”), and
- g. SmartFi Lending LLC (“**SmartFi**”), and
- h. Blue Castle Holdings, Inc. (“**BCH**”), and
- i. RE Developers LLC (“**RED**”), and
- j. AT Manager Inc. (“**ATM**”).

2. This Tolling Agreement shall be binding on and shall inure to the benefit of the Tolling Parties and their successors and assigns, including but not limited to any Chapter 11 Trustee or Chapter 7 Trustee appointed in the Bankruptcy Case. If and to the extent either a Chapter 11 or Chapter 7 Trustee is appointed in the Bankruptcy Case, such Chapter 11 or Chapter 7 Trustee shall automatically have all of the rights of the Debtor under this Tolling Agreement.

3. The effective date of this Tolling Agreement is 12:01 a.m. on February 27, 2026 (the “**Tolling Date**”). The agreed tolling period is from the Tolling Date to 11:59 p.m., Mountain Standard Time, on September 30, 2026, such later date as may be mutually agreed upon in writing by the Tolling Parties, or such earlier date as provided by paragraph 4 below (the “**Tolling Period**”).

4. The Tolling Parties agree that any Tolling Party can terminate the Tolling Period upon thirty (30) days’ prior written notice (in the manner provided in paragraph 12 below) to the other Tolling Parties. The Tolling Period shall expire at 11:59 p.m. Mountain Standard Time on the thirtieth (30th) day after such written notice is sent.

5. The Debtor and the Debtor's estate have or may have certain Claims and Causes of Action against Tilton, Retson, EPC, TPD, Solara, SmartFi, BCH, RED and/or ATM (collectively, the "**Tolling Party Potential Defendants**"), including but not limited to claims arising under or created by Chapter 5 of Title 11 of the United States Code as well as potential claims arising under applicable state law (the "**Tolled Claims**"). Each of the Tolling Party Potential Defendants dispute the validity of the Tolled Claims.

6. The Tolling Parties expressly stipulate, covenant, and agree that the Debtor's forbearance from initiating formal legal proceedings against the Tolling Party Potential Defendants by filing one or more lawsuits, complaints, or demands for arbitration based on the Tolled Claims during the Tolling Period is good and adequate consideration for the stipulations, covenants, and agreements of the Tolling Party Potential Defendants contained in this Tolling Agreement.

7. The Tolling Parties expressly stipulate, covenant, and agree that the running of any and all statutes of limitations, statutes of repose, laches periods, or other time deadlines (whether statutory, equitable, contractual, or otherwise) relating to the Tolled Claims is hereby tolled throughout the Tolling Period, such that any of the Tolled Claims that are viable as of the Tolling Date of this Tolling Agreement remain viable, by reason of such tolling, throughout the Tolling Period. The Tolling Party Potential Defendants also each expressly stipulate, covenant, and agree that they will exclude the Tolling Period from any computation of time regarding any argument that any of the Tolled Claims are barred, in whole or in part, by laches, waiver, estoppel, or by the expiration of any applicable limitations period or by any other time-related defense.

8. The Tolling Parties further stipulate, covenant, and agree that nothing in this Tolling Agreement shall operate to revive any potential Claims or Causes of Action on which the applicable statute of limitations or other time deadlines have already expired or will expire prior to the Tolling Date; provided, however, that this Tolling Agreement shall not affect any Tolling Party's right to assert the revival or tolling of any applicable statute of limitations by operation of law or statute, to the extent such right existed as of the Tolling Date and is independent of this Tolling Agreement.

9. The Debtor shall not file any suit seeking monetary, declaratory or other relief against the Tolling Party Potential Defendants relating to the Tolled Claims prior to the expiration of the Tolling Period.

10. During the Tolling Period, the Tolling Parties agree to preserve all documents, records, and other potential evidence, in electronic form or otherwise, within their care, custody, or control that relate in any way whatsoever to the Tolled Claims.

11. The Tolling Party Potential Defendants, by execution of this Tolling Agreement, do not admit liability for any Claims or Causes of Action that might be asserted by the Debtor, and this Tolling Agreement is not evidence of any admission by any of the Tolling Party Potential Defendants that any valid Claim or Cause of Action exists against any of the Tolling Party Potential Defendants.

12. Notice to each of the Tolling Parties shall be given, by email and overnight delivery and be effective upon sending, to the following individuals:

For the Debtor:

Brian M. Rothschild  
PARSONS BEHLE & LATIMER  
201 South Main Street, Suite 1800  
Salt Lake City, UT 84111

With a copy to:

Annette W. Jarvis  
Carson Heninger  
Abigail J. Stone  
GREENBERG TRAUIG, LLP  
222 South Main Street, Suite 1730  
Salt Lake City, UT 84101

For each of the Tolling Party Potential Defendants

Michael R. Johnson  
Jeffrey W. Shields  
RAY QUINNEY & NEBEKER P.C.  
36 South State, Suite 1400  
Salt Lake City, UT 84101

13. The Tolling Parties mutually warrant and represent that, prior to the execution of this Tolling Agreement: (a) each of them has thoroughly read this Tolling Agreement and understand its contents; (b) each of them has thoroughly informed itself of the terms, consents, conditions, and effects of this Tolling Agreement; (c) each of them has obtained the advice and benefit of counsel of its own choosing; (d) no representations of any kind have been made to it by or in behalf of any of the Tolling Parties other than as expressly set forth in this Tolling Agreement; and (e) each Tolling Party, or each Tolling Party's duly authorized representative, thereafter elected knowingly and voluntarily to execute and enter into this Tolling Agreement.

14. Each of the Tolling Parties stipulates, agrees and warrants that: (a) the terms, extent, and duration of this Tolling Agreement are reasonable; (b) he, she or it will not challenge or contest in any way the capacity or the authority of any Tolling Party to make the agreements, covenants, waivers, stipulations, and warranties herein set forth, (c) the person or persons executing this Tolling Agreement on behalf of each Tolling Party has the necessary and appropriate authority and capacity to execute this Tolling Agreement and to make this Tolling Agreement binding upon and enforceable against that Tolling Party; and (d) the consideration for this agreement is mutual and adequate.

15. This Tolling Agreement constitutes the entire agreement between the undersigned Tolling Parties with respect to the subject matter hereof, and any prior oral or written statement concerning same is merged herein for all purposes, and shall be of no force and effect.

16. This Tolling Agreement can be amended, supplemented, modified or changed only by a written instrument signed by all Tolling Parties and making specific reference to this Tolling Agreement. If not terminated by a Tolling Party as provided in paragraph 4 above, the Tolling Period will expire by its terms on September 30, 2026, absent a mutually executed written instrument.

17. This Tolling Agreement may be executed by any authorized agent of the Tolling Parties in any number of counterparts with the same effect as if the signatures on each counterpart were upon a single instrument. All counterparts, taken together, shall constitute the Tolling Agreement.

18. This Tolling Agreement shall be governed by, construed, and enforced in accordance with the substantive law of the State of Utah, without regard to its rules and principles regarding the conflicts of laws.

**TOLLING PARTIES:**

**POWER BLOCK COIN, LLC**

*Aaron Tilton*

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By: Aaron J. Tilton  
Title: CEO (Blue Castle Holdings Inc its manager)

**ENERGY PATH CORPORATION**

*Thomas P Retson*

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By: Thomas P. Retson  
Title: President

**TRANSITION POWER DEVELOPMENT, LLC**

*Aaron Tilton*

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By: Aaron J. Tilton  
Title: Managing Member

**SOLARA COMMUNITIES, LLC**

*Aaron Tilton*

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By: Aaron J. Tilton  
Title: CEO (Blue Castle Holdings Inc its manager)

**SMARTFI LENDING, LLC**

*Aaron Tilton*

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By: Aaron J. Tilton  
Title: CEO (Blue Castle Holdings Inc its manager)

**BLUE CASTLE HOLDINGS, INC.**

*Thomas P Retson*

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By: Thomas P. Retson  
Title: COO

**RE DEVELOPERS LLC**

*Aaron Tilton*

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By: Aaron J. Tilton  
Title: CEO (Blue Castle Holdings Inc its manager)

**AT MANAGER, INC**

*Aaron Tilton*

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By: Aaron J. Tilton  
Title: President

*Aaron Tilton*

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By: Aaron J. Tilton

*Thomas P Retson*

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By: Thomas P. Retson

**CERTIFICATE OF SERVICE**

I hereby certify that on this 2nd day of March, 2026, I served the foregoing **DEBTOR'S LIMITED OPPOSITION TO MOTION FOR DERIVATIVE STANDING** to the parties in the manner designated below:

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

- **James W. Anderson** jwa@clydesnow.com, gmortensen@clydesnow.com
- **Laura Elizabeth Baccash** laura.baccash@whitecase.com, mco@whitecase.com
- **Mark D. Bloom** mark.bloom@bakermckenzie.com
- **Matthew James Burne** matthew.burne@usdoj.gov, Lindsey.Huston@usdoj.gov;Rinehart.Peshell@usdoj.gov;Rachelle.D.Hughes@usdoj.gov;Brittany.Dewitt@usdoj.gov
- **Deborah Rae Chandler** dchandler@aklawfirm.com
- **Carson Heninger** heningerc@gtlaw.com, carson-heninger-5642@ecf.pacerpro.com,Candy.Long@gtlaw.com
- **Samuel P. Hershey** sam.hershey@whitecase.com, mco@whitecase.com
- **Annette W. Jarvis** jarvisa@gtlaw.com, longca@gtlaw.com
- **Michael R. Johnson** mjohnson@rqn.com, docket@rqn.com;ASanchez@rqn.com;RQN@ecfalerts.com
- **Peter J. Kuhn** Peter.J.Kuhn@usdoj.gov, Lindsey.Huston@usdoj.gov;Rinehart.Peshell@usdoj.gov;Rachelle.D.Hughes@usdoj.gov;Brittany.Dewitt@usdoj.gov
- **Joli A. Lofstedt** joli@jaltrustee.com, ecf.alert+LofstedtUTB@titlexi.com,brenda@jaltrustee.com
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- **Christopher L. Perkins** cperkins@eckertseamans.com
- **Gregory F. Pesce** gregory.pesce@whitecase.com, mco@whitecase.com
- **Walter A Romney** war@clydesnow.com, gmortensen@clydesnow.com
- **Jeffrey Weston Shields** jshields@rqn.com, 5962725420@filings.docketbird.com;docket@rqn.com;ecasaday@rqn.com
- **Abigail Jennifer Stone** abigail.stone@gtlaw.com
- **Michael F. Thomson** thomsonm@gtlaw.com, stuverm@gtlaw.com;mike-thomson-2584@ecf.pacerpro.com
- **Landon S. Troester** lst@clydesnow.com, rcondos@clydesnow.com
- **United States Trustee** USTPRegion19.SK.ECF@usdoj.gov
- **Melinda Willden tr** melinda.willden@usdoj.gov, Lindsey.Huston@usdoj.gov;Rinehart.Peshell@usdoj.gov;Rachelle.D.Hughes@usdoj.gov;Brittany.Dewitt@usdoj.gov

**PARSONS BEHLE & LATIMER**

*/s/Brian M. Rothschild*

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Brian M. Rothschild