

GREENBERG TRAUIG, LLP

Annette W. Jarvis (Utah #1649)
Carson Heninger (Utah #17410)
Abigail J. Stone (Utah #19083)
222 South Main Street, Suite 1730
Salt Lake City, UT 84101
Telephone: (801) 478-6900
Email: jarvisa@gtlaw.com
carson.heninger@gtlaw.com
abigail.stone@gtlaw.com

Counsel for the Official Committee of Unsecured Creditors

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH**

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

LIMITED OBJECTION TO DEBTOR’S MOTION FOR DIRECTION OR APPROVAL REGARDING LIQUIDATION OF CERTAIN ASSETS IN THE DEBTOR’S B2C2 ACCOUNT

The Official Committee of Unsecured Creditors (the “Committee”) of the debtor and debtor-in-possession, Power Block Coin, LLC (the “Debtor”), respectfully submits this *Limited Objection* (“Limited Objection”) to the Debtor’s *Motion for Direction or Approval Regarding Liquidation of Certain Assets in the Debtor’s B2C2 Account* (the “B2C2 Motion”) [Doc. No. 472].

In offering this Limited Objection, the Committee notes that still pending before the Court since the hearing on November 18, 2025, are its Trustee Motion and the Debtor’s Conversion Motion, as defined below. Both motions reflect the understanding that this Debtor needs to be taken out of possession and control of estate property and should not be making decisions with respect to such property as proposed in the B2C2 Motion.

The B2C2 Motion makes the Committee's point, as it leaves open too many questions about the amount and prior disposition of the B2C2 liquidation proceeds for the Court to make a decision respecting these proceeds. The Committee is specifically concerned by several of the factual contentions and inconsistencies in the B2C2 Motion, and even more so by the ongoing changes and developments in the Debtor's estate that continue to occur without the oversight, administration, and management of a trustee. The B2C2 Motion is simply another example of why it is imperative for a trustee to be appointed as soon as possible. Thus, the Committee objects to the limited extent that there is insufficient information available to grant the B2C2 Motion and that such a decision should be deferred until a trustee has been appointed who can investigate the factual contentions and inconsistencies apparent in the B2C2 Motion. In support hereof, the Committee respectfully states as follows:

RELEVANT FACTUAL BACKGROUND

1. On June 20, 2024 (the "Petition Date"), the Debtor commenced this proceeding by filing for bankruptcy under Chapter 11 of the Bankruptcy Code.
2. On October 21, 2025, the Committee filed a motion for the appointment of a Chapter 11 trustee (the "Trustee Motion"). [Doc. No. 413].
3. On November 7, 2025, the Debtor filed a motion to convert this case to Chapter 7 (the "Conversion Motion"). [Doc. No. 422].
4. On November 18, 2025, the Court held a hearing on the Trustee Motion and the Conversion Motion and took both under advisement.

5. On February 20, 2026, the Committee filed a motion for derivative standing to allow the Committee to pursue claims on behalf of the Debtor's estate in the interim period before the appointment of a trustee (the "Derivative Standing Motion"). [Doc. No. 461].

6. On March 2, 2026, the Debtor filed an objection to the Derivative Standing Motion. [Doc. No. 469].

7. On March 6, 2026, the Court held a hearing on the Derivative Standing Motion and took the matter under advisement.

LIMITED OBJECTION

A. Account Discrepancies and the Imperative Need for Trustee Oversight

It has been over four months since the hearing on the Committee's Trustee Motion and the Debtor's Conversion Motion, despite the statutory direction in 11 U.S.C. § 1112(b)(3) that such motions be decided "not later than 15 days after commencement of such hearing" unless compelling circumstances prevent such decision. During that time the case has not been stagnant, and the B2C2 Motion is a key example of the ongoing issues and developments in this estate.

On or about December 31, 2025, more than a month after the hearing on the Committee's Trustee Motion and the Debtor's Conversion Motion and while the Court had those matters under advisement, unbeknownst to the Committee, B2C2 liquidated the Debtor's cryptocurrency held on B2C2's platform. As further explained below, sometime between that liquidation date and the date the Debtor filed the B2C2 Motion, it appears that approximately \$140,000 of liquidated funds left the Debtor's B2C2 account without explanation. During this time, there was no trustee to oversee or referee the Debtor's actions. While the Debtor first disclosed this liquidation in its Monthly

Operating Report for December 2025 [Doc. No. 456-1], the Committee was not aware of these missing funds until the B2C2 Motion was filed.

This situation exemplifies the dire and urgent need for a trustee to be appointed quickly to oversee and direct the Debtor's estate, including a decision on where the B2C2 assets should be deposited and investigation into where the remainder of the funds went. This is true whether that trustee is appointed under Chapter 7 or Chapter 11; either way, a neutral trustee will take control of the estate and have full information and transparency into the Debtor's affairs from which he or she can make decisions that are in the best interest of creditors. A piecemeal pattern of deciding various issues, such as the B2C2 Motion, without input or direction from the trustee, who will soon be taking over the estate, is inefficient and leaves creditors at the mercy of the Debtor. For this and other reasons, the Court should defer ruling on the B2C2 Motion until a trustee has been appointed.

Regardless of where the liquidated B2C2 assets are deposited, the Court should require that the funds be carefully segregated to avoid any commingling with assets of other parties, insiders, affiliates, or customers of the Debtor. The Committee has already presented evidence that the Debtor has commingled its cryptocurrency assets with those of its customers; these B2C2 funds should be carefully protected to ensure that they are not commingled further than they have already been, as more fully explained below.

Finally, the Committee believes that there is further clarification that is required before a full ruling can be made on the B2C2 Motion. The B2C2 Motion states that, as of December 31, 2025, the Debtor's account had a balance of **\$15,798.74**. *See* B2C2 Motion, ¶ 20. However, the image of the B2C2 account and transactions included in the B2C2 Motion shows that the total

value of cryptocurrency sold on December 31, 2025, was approximately **\$155,000**. *Id.* ¶ 19. It is unclear from the B2C2 Motion and from the Committee’s follow-up communications with the Debtor where the approximately \$140,000 remainder of the liquidated cryptocurrency went and why it is not addressed in the B2C2 Motion.¹ To further complicate matters, the Debtor’s December and January MORs indicate a liquidation value of \$18,740.62, which matches neither the amount stated in the B2C2 Motion nor the amount depicted in the Debtor’s B2C2 transaction statement. [Doc. No. 456-1; Doc. No. 460]. These unexplained discrepancies exemplify the Committee’s concerns about the lack of oversight and the need for the immediate appointment of a trustee before this matter is decided. At the very least, these discrepancies must be explained by the Debtor to the satisfaction of both the Committee and the Court, so that the relevant parties fully understand the situation before a decision is made on the disposition of the proceeds.

B. Correction of Statements in the B2C2 Motion

The Committee also has concerns with the unilateral legal conclusion offered by the Debtor in the B2C2 Motion regarding ownership of the wallets and digital currencies in the Debtor’s various accounts—an issue that should be placed before the Court for determination. *See* B2C2 Motion, ¶¶ 3–4, 16–17, 20. The B2C2 Motion again highlights the commingling of the Debtor’s assets with those of creditors and baldly asserts which assets were assets of customers versus assets of the estate. *Id.* ¶ 17 (stating “both the B2C2 and Fireblocks wallets contain Debtor’s and Customer assets”). This is another of the many reasons why this Debtor needs to be taken out of possession, as sought by both the Debtor and Committee in the Trustee Motion and Conversion

¹ Counsel for the committee reached out to counsel for the Debtor on Tuesday, March 24, 2026, at approximately 10:00 a.m. Mountain Time, asking for a specific explanation for this discrepancy and where the remaining approximately \$140,000.00 of liquidated funds from B2C2 went. As of the time of this filing, counsel for the Committee has not received a response from the Debtor to this March 24th email.

Motion. *See* Trustee Motion [Doc. No. 413] at 17–18 (setting forth additional evidence of the Debtor’s commingling of estate and customer assets). A neutral trustee is needed to fairly parse out this issue and bring it before the Court.

Similarly, the Committee takes exception to the statement offered in paragraph 13 of the B2C2 Motion asserting that the Debtor has “quickly and completely responded to all requests made by the Committee for information.” As the Committee has stated in multiple filings, the Committee does not have complete transparency into the Debtor’s finances and business, and the Debtor has not been forthcoming on all of its finances and information, especially because many issues have been obscured in the records of the Debtor’s affiliates. Only the appointment of a trustee will grant full transparency and oversight of the Debtor’s finances and records. This is yet another reason why the Court should defer any ruling on the B2C2 Motion until a duly appointed or elected trustee has the opportunity to review facts and circumstances set forth in the B2C2 Motion and seek authority to undertake a proper course of action.

CONCLUSION

In summary, the Committee objects to the limited extent that there is insufficient information available to grant the B2C2 Motion and requests that such a decision be deferred until a trustee has been appointed.

[Signature Page Follows]

DATED this 26th day of March, 2026.

GREENBERG TRAURIG LLP

/s/ Abigail Stone

Annette W. Jarvis

Carson Heninger

Abigail J. Stone

*Counsel for the Official Committee of
Unsecured Creditors*

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

I hereby certify that I electronically filed or will file on the 26th of March, 2026, the foregoing **LIMITED OBJECTION TO DEBTOR’S MOTION FOR DIRECTION OR APPROVAL REGARDING LIQUIDATION OF CERTAIN ASSETS IN THE DEBTOR’S B2C2 ACCOUNT** with the United States Bankruptcy Court for the District of Utah by using the CM/ECF system. I further certify that the list below of CM/ECF users in this case was generated by the CM/ECF system on the same day as the foregoing document was filed:

- **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
- **Simeon J Brown** sbrown@parsonsbehle.com
- **Deborah Rae Chandler** dchandler@aklawfirm.com
- **Alexander Sun Chang** achang@parsonsbehle.com
- **Austin Egan** austin@stavroslaw.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
- **Artur Machalski** artur.machalski@gmail.com
- **Elliott D. McGill** emcgill@parsonsbehle.com, proney@parsonsbehle.com;ecf@parsonsbehle.com
- **Darren B. Neilson** dneilson@parsonsbehle.com
- **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
- **Brian M. Rothschild** brothschild@parsonsbehle.com, ecf@parsonsbehle.com;docket@parsonsbehle.com
- **Jeffrey Weston Shields** jshields@rqn.com, 5962725420@filings.docketbird.com;docket@rqn.com;ecasaday@rqn.com
- **Abigail Jennifer Stone** abigail.stone@gtlaw.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

/s / Abigail Stone

CERTIFICATE OF SERVICE BY MAIL OR OTHER MEANS

I hereby certify that I caused to be served or will cause to be served a true and correct copy of the foregoing as follows:

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

Nikita Ash
1221 Avenue of the Americas
New York, NY 10020-1095

Colonel Michael D. Brewer
8901 Beauchamp Dr
Alexandria, VA 22309

CFO Solutions, LLC dba Ampleo
13601 W McMillan Rd
#102 PMB 320
Boise, ID 83713

Kathleen Conger
111 East Broadway 11th Floor
Salt Lake City, UT 84111

Kyle Ferrier
300 South Biscayne Blvd.
Suite 4900
Miami, FL 33131

Nissa Beth Gay
35 Live Oak Drive
Ventura, CA 93001

Nicholas Kennedy
1900 N. Pearl Street
Suite 1500
Dallas, TX 75201

Mark Nelson
14175 Golf Parkway
Brookfield, WI 53005

Douglas Scribner
1717 North Bayshore Drive #2847
Miami, FL 33132

/s/ Candy Long