

IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	Chapter 11
	§	
RHODIUM ENCORE LLC, <i>et al.</i> , ¹	§	Case No. 24-90448 (ARP)
	§	
Debtors.	§	
	§	(Joint Administration Pending)
	§	

DEBTORS’ EMERGENCY MOTION FOR AN ORDER (I) EXTENDING THE TIME TO FILE SCHEDULES OF ASSETS AND LIABILITIES, SCHEDULES OF CURRENT INCOME AND EXPENDITURES, SCHEDULES OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES, STATEMENTS OF FINANCIAL AFFAIRS, AND RULE 2015.3 FINANCIAL REPORTS, AND (II) GRANTING RELATED RELIEF

Emergency relief has been requested. Relief is requested not later than 10:00 a.m. (Prevailing Central Time) on August 30, 2024.

If you object to the relief requested or you believe that emergency consideration is not warranted, you must appear at the hearing if one is set, or file a written response prior to the date that relief is requested in the preceding paragraph. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

A hearing will be conducted on this matter on Friday, August 30, 2024, at 10:00 a.m. (Prevailing Central Time) in Courtroom 400, 4th Floor, 515 Rusk Avenue, Houston, Texas 77002.

Participation at the hearing will only be permitted by an audio and video connection.

Audio communication will be by use of the Court’s dial-in facility. You may access the facility at 832-917-1510. Once connected, you will be asked to enter the conference room number. Judge Perez’s conference code number is 282694. Video communication will be by use of the GoToMeeting platform. Connect via

¹ The Debtors in these chapter 11 cases and the last four digits of their corporate identification numbers are as follows: Rhodium Encore LLC (3974), Jordan HPC LLC (3683), Rhodium JV LLC (5323), Rhodium 2.0 LLC (1013), Rhodium 10MW LLC (4142), Rhodium 30MW LLC (0263), Rhodium Enterprises, Inc. (6290), Rhodium Technologies LLC (3973), Rhodium Renewables LLC (0748), Air HPC LLC (0387), Rhodium Shared Services LLC (5868), Rhodium Ready Ventures LLC (8618), Rhodium Industries LLC (4771), Rhodium Encore Sub LLC (1064), Jordan HPC Sub LLC (0463), Rhodium 2.0 Sub LLC (5319), Rhodium 10MW Sub LLC (3827), Rhodium 30MW Sub LLC (4386), and Rhodium Renewables Sub LLC (9511). The mailing and service address of the Debtors in these chapter 11 cases is 2617 Bissonnet Street, Suite 234, Houston, TX 77005.



the free GoToMeeting application or click the link on Judge ’s home page. The meeting code is “JudgePerez.” Click the settings icon in the upper right corner and enter your name under the personal information setting.

Hearing appearances must be made electronically in advance of both electronic and in-person hearings. To make your appearance, click the “Electronic Appearance” link on Judge Perez’s home page. Select the case name, complete the required fields and click “Submit” to complete your appearance.

The above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) respectfully state the following in support of this motion (the “Motion”):

Relief Requested

1. The Debtors and their affiliates (collectively, the “Group”) are a technology company. The Group’s main activity involves utilizing proprietary technology to self-mine Bitcoin, with the goal of increasing sustainability and cost-efficiency.

2. On August 24, 2024 and August 29, 2024 (the “Petition Dates”), the Debtors each commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors continue to operate their businesses and manage their property as debtors and debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases, and no committees have been appointed or designated.

3. Information regarding the circumstances leading to the commencement of these chapter 11 cases and additional information regarding the Debtors’ businesses and capital structure is set forth in the *Declaration of David Dunn, Co-Chief Restructuring Officer, in Support of Chapter 11 Petitions and First Day Motions* (the “First Day Declaration”), which has been filed contemporaneously with this Motion and incorporated by reference herein.²

² Capitalized terms not defined herein shall have the meanings ascribed to such terms in the First Day Declaration.

4. The Debtors hereby seek entry of an order (the “Order”) pursuant to Rules 1007(c) and 9006(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 9013-1 of the Bankruptcy Local Rules of the United States Bankruptcy Court for the Southern District of Texas (the “Local Rules”) granting the Debtors an extension of time to file their (a) schedules of assets and liabilities, (b) schedules of current income and expenditures, (c) schedules of executory contracts and unexpired leases and (d) statements of financial affairs (collectively, the “Statements and Schedules”) pursuant to section 521 of title 11 of the United States Code (the “Bankruptcy Code”) and Bankruptcy Rule 1007, by an additional 30 days, for a total of 44 days from the Petition Date (as defined herein), without prejudice to the Debtors’ ability to request additional extensions for cause shown, and granting related relief.

5. The Debtors also seek entry of the Order pursuant to Bankruptcy Rules 9006(b) and 2015.3(d) and Local Rules 2015-3 and 9013-1, (a) extending the deadline by which the Debtors must file their initial reports of financial information with respect to entities in which the Debtors hold a controlling or substantial interest as set forth in Bankruptcy Rule 2015.3 (the “Rule 2015.3 Reports”), to and including the later of (i) 15 days after the meeting of creditors to be held pursuant to section 341 of the Bankruptcy Code (the “341 Meeting”) or (ii) 45 days after the Petition Date (*i.e.*, October 14, 2024), (b) granting the Debtors leave to file a motion with the Court seeking further modification of such reporting requirements for cause, without prejudice to the Debtors’ ability to request additional extensions for cause shown, and (c) granting related relief.

Jurisdiction and Venue

6. The United States Bankruptcy Court for the Southern District of Texas (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b).

7. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

8. The Debtors confirm their consent, pursuant to Rule 7008 of the Bankruptcy Rules, to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

9. The basis for the relief requested herein is section 105(a) of the Bankruptcy Code, Bankruptcy Rules 1007, 2015.3(d), and 9006, and Local Rules 2015-3 and 9013-1.

Background

10. On the Petition Dates, the Debtors each commenced a voluntary case under chapter 11 the Bankruptcy Code. The Debtors continue to operate their businesses and manage their property as debtors and debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases, and no committees have been appointed or designated.

11. Contemporaneously herewith, the Debtors have filed a motion requesting joint administration of their chapter 11 cases pursuant to Bankruptcy Rule 1015(b).

Basis for Relief

A. CAUSE EXISTS TO EXTEND THE TIME TO FILE THE STATEMENTS AND SCHEDULES

12. Pursuant to section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, the Debtors are required to file the Statements and Schedules within 14 days after the Petition Date.

13. By this Motion, the Debtors seek entry of an order, pursuant to Bankruptcy Rules 1007(c) and 9006(b), extending the deadline to file their Statements and Schedules by an additional thirty (30) days, from September 12, 2024, the date such Statements and Schedules are otherwise required to be filed under Bankruptcy Rule 1007(c), through and including October 14, 2024 without prejudice to the Debtors' ability to request additional time should it become necessary.

14. This Court has authority to grant the Debtors' requested extension under Bankruptcy Rules 1007(c) and 9006(b). Bankruptcy Rule 1007(c) provides that "any extension of time for the filing of schedules, statements, and other documents required under this rule may be granted only on motion for cause shown" Fed. R. Bankr. P. 1007(c). Bankruptcy Rule 9006(b) provides that "when an act is required or allowed to be done at or within a specified period by these rules . . . the court for cause shown may at any time in its discretion . . . order the period enlarged if the request therefor is made before the expiration of the period originally prescribed or as extended by a previous order" Fed. R. Bankr. P. 9006(b).

15. Good and sufficient cause exists for granting an extension of time to file the Statements and Schedules. To prepare the Statements and Schedules, the Debtors must compile information from books, records, and documents relating to numerous claims, assets, contracts, and leases for each of the Debtor entities. Collecting the necessary information requires a significant expenditure of time and effort on the part of the Debtors, their employees, and their professionals in the near term, when these resources would be best used to ensuring a smooth transition into chapter 11 and addressing the immediate needs of the Debtors' business operations.

16. Recognizing the importance of the Statements and Schedules, the Debtors intend to complete them as quickly as possible, and they are mobilizing their employees to work diligently and expeditiously on their preparation. Given the amount of work entailed in completing the

Statements and Schedules, the substantial burdens already imposed on management by the commencement of these chapter 11 cases, the limited number of employees available to collect the required information, the competing demands upon such employees, and the time and attention the Debtors must devote to the restructuring process, the Debtors may not be able to properly and accurately complete the Statements and Schedules within the required 14-day time period. The Debtors, therefore, request that the Court extend the 14-day period for an additional 30 days (making the Statements and Schedules due 44 days from the Petition Date), without prejudice to the Debtors' right to request further extensions, for cause shown.

17. Courts in this district have granted similar relief to that requested herein in a number of comparable chapter 11 cases. *See, e.g., In re Steward Health Care System, LLC*, Case No. 24-90213 (CML) (Bankr. S.D. Tex. May 7, 2024) (ECF No. 92); *In re Barretts Minerals, Inc.*, Case No. 23-90794 (DRJ) (Bankr. S.D. Tex. Oct. 3, 2023) (ECF No. 72); *In re Core Scientific, Inc.*, Case No. 22-90341 (DRJ) (Bankr. S.D. Tex. Dec. 22, 2022) (ECF No. 122) (granting 30-day extension); *In re Talen Energy Supply, LLC*, Case No. 22-90054 (MI) (Bankr. S.D. Tex. May 10, 2022) (ECF No. 121) (granting 45-day extension); *In re Seadrill Ltd.*, No. 21-30427 (DRJ) (Bankr. S.D. Tex. Feb. 11, 2021) (ECF No. 73); (granting 44-day extension); *In re CBL & Assocs. Props., Inc.*, Case No. 20-35226 (DRJ) (Bankr. S.D. Tex. Nov. 2, 2020) (ECF No. 67) (granting 30-day extension).

18. Accordingly, the Debtors respectfully request that the Court extend the time for filing their Statements and Schedules.

B. CAUSE EXISTS TO EXTEND THE TIME TO FILE RULE 2015.3 REPORTS

19. Pursuant to Bankruptcy Rule 2015.3, the Debtors are required to file the Rule 2015.3 Reports by no later than seven days before the date set for the 341 Meeting, and no less than every six months thereafter.

20. By this Motion, the Debtors seek entry of an order, pursuant to Bankruptcy Rules 2015.3 and 9006, (a) extending the deadline to file their Rule 2015.3 Reports to and including the later of (i) 15 days after the 341 Meeting, or (ii) 45 days after the Petition Date, without prejudice to the Debtors' ability to request additional extensions for cause shown, or (b) granting the Debtors leave to file a motion with the Court seeking further modification of such reporting requirements for cause, and (c) granting related relief.

21. This Court has authority to grant the Debtors' requested extension under Bankruptcy Rules 9006(b) and 2015.3(d). Bankruptcy Rule 9006(b) provides that "when an act is required or allowed to be done at or within a specified period by these rules . . . the court for cause shown may at any time in its discretion . . . order the period enlarged if the request therefor is made before the expiration of the period originally prescribed or as extended by a previous order" Fed. R. Bankr. P. 9006(b). Bankruptcy Rule 2015.3(d) provides that "[t]he court may, after notice and a hearing, vary the reporting requirement established by subdivision (a) of this rule for cause" Fed. R. Bankr. P. 2015.3(d). Additionally, Bankruptcy Rule 2015.3(d) provides the Court with the ability, after notice and a hearing, to modify the reporting requirements for cause, including that the debtor is "not able, after a good faith effort, to comply with those reporting requirements, or that the information . . . is publicly available." *Id.*

22. The Rule 2015.3 Reports require the Debtors to provide reports of the value, operations, and profitability of each entity that is not a publicly traded corporation or a debtor in the chapter 11 cases, and in which the estate holds a substantial or controlling interest. The Debtors consists of seven entities, some of which have non-debtor affiliates that are not publicly traded corporations and in which there is a presumption that the Debtors hold a "substantial or controlling" equity interest (collectively, the "Qualifying Entities"). *See* Fed. R. Bankr. P.

2015.3(a). The Debtors submit that cause exists to extend the deadline for filing the Rule 2015.3 Reports for the Qualifying Entities as requested herein based on (a) the size and complexity of the Debtors' business; and (b) the burdens imposed by compliance with Bankruptcy Rule 2015.3 in the early days of these chapter 11 cases.

23. Moreover, extending the deadline to file the initial Rule 2015.3 Reports will enable the Debtors to work with their financial advisors and the Office of the United States Trustee for the Southern District of Texas (the "U.S. Trustee") to determine the appropriate nature and scope of the Rule 2015.3 Reports and any proposed modifications to the reporting requirements established by Bankruptcy Rule 2015.3.

24. The relief requested herein will not prejudice any party in interest. The Debtors intend to work cooperatively with the U.S. Trustee as well as other necessary parties in these chapter 11 cases to provide access to relevant information regarding the business and financial affairs of the Debtors and non-debtor subsidiaries.

25. Courts in this district have granted similar relief to that requested herein in a number of comparable chapter 11 cases. *See, e.g., In re Steward Health Care System, LLC*, Case No. 24-90213 (CML) (Bankr. S.D. Tex. May 7, 2024) (ECF No. 92); *In re Core Scientific, Inc.*, Case No. 22-90341 (DRJ) (Bankr. S.D. Tex. Dec. 22, 2022) (ECF No. 122) (granting an extension to the later of 15 days after the 341 Meeting or 45 days after Petition Date); *In re Talen Energy Supply, LLC*, Case No. 22-90054 (MI) (Bankr. S.D. Tex. May 10, 2022) (ECF No. 121) (same); *In re CBL & Assocs. Props., Inc.*, Case No. 20-35226 (DRJ) (Bankr. S.D. Tex. Nov. 2, 2020) (ECF No. 67) (same); *In re Fieldwood Energy LLC*, Case No. 20-33948 (MI) (Bankr. S.D. Tex. Aug. 5, 2020) (ECF No. 59) (same).

26. Accordingly, the Debtors respectfully request that the Court enter an Order (a) extending the deadline for the Debtors to file their Rule 2015.3 Reports to and including the later of (i) 15 days after the 341 Meeting, or (ii) 45 days after the Petition Date, without prejudice to the Debtors' ability to request additional extensions for cause shown, (b) granting the Debtors leave to file a motion with the Court seeking further modification of such reporting requirements for cause, and (c) granting related relief.

Emergency Consideration

27. The Debtors respectfully request emergency consideration of this Motion pursuant to Bankruptcy Rule 6003 and Local Rule 9013-1(i). Bankruptcy Rule 6003 empowers a court to grant relief within the first 21 days after the commencement of a chapter 11 case "to the extent that relief is necessary to avoid immediate and irreparable harm." Local Rule 9013-1(i) requires a motion for emergency relief to "include a detailed statement why an emergency exists, and the date relief is needed to avoid the consequences of the emergency." The Motion requests relief from procedural rules and requirements that pertain to matters of immediate significance. Immediate relief will prevent confusion and facilitate a smooth transition into these chapter 11 cases during a period when there will be a significant volume of docket filings and other procedures. Accordingly, the Debtors submit that they have satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 and the standard of Local Rule 9013-1, and therefore respectfully request that the Court approve the relief requested in this Motion on an emergency basis.

Notice

28. Notice of this Motion has been provided by the Debtors in accordance and compliance with the Bankruptcy Rules, Local Rules, and the Procedures for Complex Cases in the Southern District of Texas, and is sufficient under the circumstances. Without limiting the

foregoing, due notice was afforded to parties-in-interest, including (a) the Office of the United States Trustee for the Southern District of Texas, 515 Rusk, 3rd Floor, Houston, Texas 77002; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) the United States Attorney for the Southern District of Texas, 1000 Louisiana, Suite 2300, Houston, Texas 77002; (d) the Department of the Treasury, Internal Revenue Service, Austin, Texas 73301-00002; and (e) any party that has requested notice or on whom the Court has ordered notice pursuant to Bankruptcy Rule 2002 (collectively, the “Notice Parties”). The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

WHEREFORE, the Debtors respectfully request that the Court enter an order and grant the relief requested herein and such other and further relief as is just and proper.

Respectfully submitted this the 29th day of August, 2024.

QUINN EMANUEL URQUHART &
SULLIVAN, LLP

/s/ Patricia B. Tomasco

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*Proposed Counsel to the Debtors and
Debtors-In-Possession*

CERTIFICATE OF ACCURACY

I hereby certify that the foregoing statements are true and accurate to the best of my knowledge. This statement is being made pursuant to Bankruptcy Local Rule 9013-1(i).

/s/ Patricia B. Tomasco

Patricia B. Tomasco

CERTIFICATE OF SERVICE

I hereby certify that on the 29th day of August, 2024, a copy of foregoing Motion was served through the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Patricia B. Tomasco

Patricia B. Tomasco

**IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	Chapter 11
	§	
RHODIUM ENCORE LLC, <i>et al.</i> , ¹	§	Case No. 24-90448 (ARP)
	§	
Debtors.	§	
	§	
	§	(Joint Administration Pending)
	§	

ORDER (I) EXTENDING THE TIME TO FILE SCHEDULES OF ASSETS AND LIABILITIES, SCHEDULES OF CURRENT INCOME AND EXPENDITURES, SCHEDULES OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES, STATEMENTS OF FINANCIAL AFFAIRS, AND RULE 2015.3 FINANCIAL REPORTS, AND (II) GRANTING RELATED RELIEF
(Relates to ECF No. ____)

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Order”) extending the time to file schedules of assets and liabilities, schedules of current income and expenditures, schedules of executory contracts and unexpired leases, statements of financial affairs, and financial reports pursuant to Bankruptcy Rule 2015.3, and granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Court having found that it may enter a final order consistent with Article III of the United States Constitution; and the Court

¹ The Debtors in these chapter 11 cases and the last four digits of their corporate identification numbers are as follows: Rhodium Encore LLC (3974), Jordan HPC LLC (3683), Rhodium JV LLC (5323), Rhodium 2.0 LLC (1013), Rhodium 10MW LLC (4142), Rhodium 30MW LLC (0263), Rhodium Enterprises, Inc. (6290), Rhodium Technologies LLC (3973), Rhodium Renewables LLC (0748), Air HPC LLC (0387), Rhodium Shared Services LLC (5868), Rhodium Ready Ventures LLC (8618), Rhodium Industries LLC (4771), Rhodium Encore Sub LLC (1064), Jordan HPC Sub LLC (0463), Rhodium 2.0 Sub LLC (5319), Rhodium 10MW Sub LLC (3827), Rhodium 30MW Sub LLC (4386), and Rhodium Renewables Sub LLC (9511). The mailing and service address of the Debtors in these chapter 11 cases is 2617 Bissonnet Street, Suite 234, Houston, TX 77005.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

having found that venue for this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the Notice Parties; and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion and held a hearing to consider the relief requested in the Motion (the “Hearing”); and upon the record of the Hearing; and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and the Court having determined that immediate relief is necessary to avoid irreparable harm to the Debtors and their estates as contemplated by Bankruptcy Rule 6003(b) and is in the best interests of the Debtors, their estates, their creditors and all parties in interest; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED, as set forth herein.
2. The time by which the Debtors must file their Schedules and Statements shall be and hereby is extended for an additional thirty (30) days, through and including October 12, 2024, without prejudice to the Debtors’ right to seek an additional extension.
3. The time by which the Debtors must file their initial reports pursuant to Bankruptcy Rule 2015.3 shall be and hereby is extended to and including the later of (a) 15 days after the meeting of creditors to be held pursuant to section 341 of the Bankruptcy Code or (b) 45 days after the Petition Date, without prejudice to the Debtors’ right to seek an additional extension for cause shown.
4. The Debtors are authorized to file a motion seeking further modification of Bankruptcy Rule 2015.3 reporting requirements for cause.

5. This Court shall retain jurisdiction with respect to all matters relating to the interpretation or implementation of this Order.

Dated: _____, 2024

ALFREDO R. PEREZ
UNITED STATES BANKRUPTCY JUDGE