IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
RELIZ TECHNOLOGY GROUP HOLDINGS INC., *et al.*,	Case No. 26-10371 (TMH)
	(Jointly Administered)
Debtors.[1]	**Re: Docket No. 16**

OBJECTION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO DEBTORS' MOTION FOR THIRD INTERIM ORDER (I) AUTHORIZING POSTPETITION USE OF CASH COLLATERAL; (II) GRANTING ADEQUATE PROTECTION TO THE PREPETITION SECURED PARTY; (III) SCHEDULING A FINAL HEARING; AND (IV) GRANTING RELATED RELIEF

The Official Committee of Unsecured Creditors (the "Committee") of the above-captioned debtors and debtors in possession (the "Debtors"), by and through its undersigned proposed counsel, hereby files this objection (the "Objection") to the *Motion of Debtors for Entry of Interim and Final Orders: (I) Authorizing Postpetition Use of Cash Collateral; (II) Granting Adequate Protection to The Prepetition Secured Party; (III) Scheduling a Final Hearing; and (IV) Granting Related Relief* (the "Cash Collateral Motion") [Docket No. 16].[2] In support of this Objection, the Committee respectfully states as follows:

PRELIMINARY STATEMENT[3]

1. The Committee objects to the Debtors' Cash Collateral Motion and the proposed third interim cash collateral order. That order as-written is not currently designed to benefit the Debtors' customers—the core value driver of the business and the fulcrum constituency in these Chapter 11 Cases—and instead it permits these Chapter 11 Cases to be funded by comingled

[1] The Debtors in these chapter 11 cases, along with the last four digits of their respective federal tax identification numbers, are: Reliz Technology Group Holdings Inc. (6265); Reliz Technologies LLC (1968); Reliz LTD (N/A); and Reliz CI LTD (N/A). The Debtors' service address is 401 West Ontario St., Suite 400, Chicago, IL 60654.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Cash Collateral Motion as applicable.

[3] Capitalized terms used but not immediately defined shall have the meanings ascribed to them below.

customer assets for a process that primarily drives administrative professional fees and inures to the benefit of Celsius Network Limited ("Celsius"), which is itself a bankruptcy estate and the Debtors' purported secured creditor.

2. The Debtors have advanced a plan Term Sheet that provides no consideration flowing into the estate to fund a restructuring, and the only apparent path to Court approval is to market test that restructuring by drawing upon commingled customer accounts to determine whether it can be deemed viable. Against that backdrop, the current framework appears designed to advantage Celsius, including by imposing a bid timeline (with bids due as early as May 13) while the Committee is still within its 75-day challenge period and actively fulfilling its fiduciary duties to investigate the validity, extent, and priority of Celsius's liens and other potential issues in this case, including commingling.[4] To be clear, while the Committee is optimistic that the bidding process will generate meaningful value for all stakeholders, that outcome is not yet certain. The only way this process makes sense is if the Committee is meaningfully and extensively involved, and the Committee's rights to surcharge Celsius's collateral remain fully preserved. Specifically, the inclusion of the waiver of 506(c) and 552(b) claims under the proposed Third Interim Proposed Order expressly undercuts the Committee's efforts and should be stricken from the order.

3. The Committee is concerned that the Debtors' proposed structure will unnecessarily drive administrative and professional costs, to the detriment of unsecured creditors, while effectively facilitating repayment of Celsius's asserted $5–6 million secured claim in exchange for an unknown benefit, if any, to the estates. These cases are being funded by comingled

[4] The Committee reserves all rights with respect to investigating whether customers assets were improperly commingled in this case, and any statements herein shall not be deemed a position or admission with respect thereto. The Committee's investigation on the same is ongoing.

customer assets, and the Debtors' proposed third interim cash collateral budget (the "Budget"), attached hereto as **Exhibit A**, reflects a proposed spend of approximately $12.5 million—almost half of the remaining crypto assets on the exchange. In light of these administrative burdens, any bidder would need to offer consideration in excess of Celsius's $5–6 million claim plus the costs of running the sale process for unsecured creditors to realize a meaningful recovery from the sale process. In order for creditor-customers to be in a better position than simply liquidating on day one of the cases, bidders would need to clear both Celsius' claim and the administrative burdens of the case. While the Committee remains hopeful that a robust sale process may yield value, it remains skeptical given the failed prepetition marketing efforts and uncertainty of the filed Term Sheet.

4. At bottom, the Debtors' proposed framework risks creating a *de facto* contest between dueling bankruptcy estates, where Celsius seeks to leverage this process to advance its own recovery through a credit bid at the direct expense of the Debtors' unsecured creditors; and it is far from clear how this construct maximizes value for either estate, as opposed to simply shifting limited assets away from one creditor body to another.

5. Absent an agreement from the Committee, the estate should be entitled to surcharge Celsius's collateral under sections 506 and 552 of the Bankruptcy Code to recover the costs of preserving and disposing its collateral. The sale process is being funded by comingled customer accounts , while it directly benefits Celsius—with no burden to Celsius at all. Now, only days prior to an interim hearing, the estates' surcharge rights have been waived, without adequate notice of creditors or other parties to object.

6. For these reasons, the Committee objects to the Cash Collateral Motion as proposed and requests that the Court deny entry of any order containing language that would permit the

Debtors' to waive claims under sections 506(c) and 552(b) so that all rights are reserved pending the proposed sale process.

BACKGROUND

A. The Chapter 11 Cases.

6. On March 15, 2026, (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (collectively, the "Chapter 11 Cases"). The Chapter 11 Cases are being jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015(b), in the United States Bankruptcy Court for the District of Delaware (the "Court"). The Debtors continue to manage their businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these chapter 11 cases.

7. On March 16, 2026, the Debtors filed the Cash Collateral Motion, seeking, among other things, authority to continue to use of cash collateral and granting adequate protection of the interests of the Prepetition Secured Party solely to the extent that the Prepetition Secured Party holds a valid prepetition lien against the Debtors' assets. In support of the Cash Collateral Motion, Debtors filed the Declaration of Matt Renzi (the "Renzi Declaration") [Docket No. 17].

8. On March 18, 2026, the Court entered an *Interim Order (I) Authorizing Postpetition Use of Cash Collateral; (II) Granting Adequate Protection to the Prepetition Secured Party; (III) Scheduling a Final hearing; And (IV) Granting Related Relief* [Docket No. 62] (the "First Interim Order").

9. On March 18, 2026, the Debtors filed the *Notice of Entry of Interim Order, Second Interim Hearing, and Final Hearing with Respect to Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Postpetition Use of Cash Collateral; (II) Granting Adequate*

Protection to the Prepetition Secured Party; (III) Scheduling a Final Hearing; and (IV) Granting Related Relief [Docket No. 70], which provided a hearing on the Cash Collateral Motion on a final basis is currently scheduled for April 16, 2026, at 2:30 p.m. (prevailing Eastern Time) and stated that objections to the entry of a final order approving the Cash Collateral Motion were required to be filed on or before April 3, 2026 at 4:00 p.m. (ET).

10. On March 26, 2026, the Debtors filed the *Motion of Debtors for Entry of an Order (I) Approving Bidding Procedures For the Sale of Substantially All of the Debtors' Assets, (II) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (III) Approving Assumption and Assignment Procedures, (IV) Scheduling a Sale Hearing And Approving the Form and Manner of Notice Thereof, and (V) Granting Related Relief* [Docket No. 101] (the "Bid Procedures Motion).

11. On March 27, 2026, the United States Trustee for the District of Delaware (the "United States Trustee") filed its *Notice of Appointment of Committee of Unsecured Creditors* [Docket No. 104] pursuant to section 1102(a)(1) of the Bankruptcy Code. On March 30, 2026, the Committee selected Morris James LLP as its proposed counsel. On April 1, 2026, the Committee selected FTI Consulting, Inc. as its proposed counsel financial advisor.

12. On March 30, 2026, the Court entered a *Second Interim Order (I) Authorizing Postpetition Use of Cash Collateral; (II) Granting Adequate Protection to the Prepetition Secured Party; (III) Scheduling a Final hearing; And (IV) Granting Related Relief* [Docket No. 119] (the "Second Interim Order").

13. By agreement of the parties, the Committee's objection deadline for the Cash Collateral Motion was extended to and including April 13, 2026.

14. On April 13, 2026, the Debtors filed *Notice of Filing of Third Interim Cash Collateral Order* [Docket No. 151]. The proposed third interim order attached to the notice as Exhibit A seeks, among other things, authority to waive the Debtors' rights to seek 506(c) and 552(b) claims against Celsius as a prerequisite for the Debtors' continued use of cash collateral (the "Third Interim Proposed Order").

B. The Debtors' Prepetition Sale Process.

15. As described in the Bid Procedures Motion, the Debtors undertook an extensive prepetition marketing process in an effort to explore strategic alternatives and maximize value. Bid Procedures Motion ¶¶ 11–15. Beginning in or around August 2025, the Debtors retained Berkeley Research Group, LLC to assist with evaluating restructuring and sale opportunities. In coordination with their advisors, the Debtors analyzed operations, managed liquidity, and developed a business plan while simultaneously canvassing the market for potential transactions.

16. Starting in September 2025, the Debtors initiated outreach to a broad universe of potential counterparties, including strategic participants in the digital asset industry, financial institutions, private investment firms, trading platforms, and other prospective acquirers. *Id.* The Debtors contacted approximately 40 potential investors. Of those, 38 parties engaged in initial discussions, 35 executed non-disclosure agreements and were granted access to a data room, and five advanced to more substantive diligence and negotiations, including a private investment firm, an industry exchange, a publicly traded digital asset company, and a market-making or trading firm. *Id.*

17. Despite these efforts, the Debtors were unable to consummate a transaction prepetition. As the Debtors' liquidity position deteriorated, the marketing process stalled,

ultimately necessitating the commencement of these Chapter 11 Cases to pursue a transaction in-court.

C. The Ad Hoc Group Term Sheet.

18. Contemporaneously with the Petition Date, the Debtors filed a non-binding term sheet attached as Exhibit B to the First Day Declaration, which contemplates a potential restructuring transaction supported by an ad hoc group of certain customers. First Day Decl., Ex. B (the "Term Sheet"). While framed as a pathway toward reorganization, the Term Sheet notably does not provide for any direct consideration flowing into the estates to fund these Chapter 11 Cases, a plan process, or a post-confirmation trust at this time. Bid Procedures Motion ¶ 10; *see also* Term Sheet.

19. Instead, the Term Sheet outlines a restructuring construct that relies on estate resources—without any committed capital infusion—leaving the burden of funding the case squarely on the Debtors' remaining assets.

D. Postpetition Sale Process and the Proposed Bidding Procedures.

20. Following the Petition Date, the Debtors have attempted to pursue a dual-track process centered on (i) advancing the Term Sheet and (ii) seeking approval of the Bidding Procedures to "market test" that restructuring framework. As the record reflects, the Debtors have made clear that the purpose of the proposed sale process is to validate or improve upon the Term Sheet. Bid Procedures Motion ¶¶ 16–19.

21. However, this process is being funded on the backs of unsecured creditors and customer claims. The Debtors' operations, professionals, and sale efforts are financed by estate assets that would otherwise be available for distribution, effectively requiring unsecured

stakeholders to underwrite a process that may ultimately benefit other constituencies. *See* Cash Collateral Motion.

E. Celsius's Role in the Chapter 11 Cases

22. Celsius has indicated its intent to participate in the sale process both as a consultation party and potentially as a bidder, including through the potential credit bidding of its asserted $5–6 million secured claim. This claim remains subject to investigation and potential challenge.

F. The Committee's Objection.

23. Against this backdrop, the Committee objects to the Cash Collateral Motion and Third Interim Proposed Order. The proposed process is structured in a manner that risks privileging certain stakeholders, imposes significant administrative costs on the estates, and lacks sufficient safeguards to ensure that value is preserved for unsecured creditors. The Committee submits that, absent meaningful modifications, entry of the Third Interim Proposed Order would prejudice creditors and prejudice creditors and may further erode recoveries.

OBJECTION

A. The Debtors' Third Interim Proposed Order and Sale Process Improperly Favors Celsius's Credit Bid While Precluding the Estate's Right to Surcharge Collateral.

24. Without doubt, "a secured creditor is entitled to credit bid its allowed claim" in a bankruptcy section 363 sale, pursuant to 11 U.S.C. § 363(k). *In re Fisker Auto. Holdings, Inc.*, 510 B.R. 55, 59 (Bankr. D. Del. 2014). But "[t]he law is equally clear, as Section 363(k) provides, that the Court may 'for cause order[ ] otherwise.'" *Id*.

25. "A court may deny a lender the right to credit bid in the interest of any policy advanced by the Code, such as to ensure the success of the reorganization or to foster a competitive bidding environment." *Id*. at 59, *citing In re Philadelphia Newspapers, LLC*, 599 F.3d 298, 315-

16 (3d Cir.2010). In *Fisker,* the court concluded that, without placing a limit on credit bidding, "there will be *no* bidding—not just the chilling of bidding." 510 B.R. at 60 (court capped secured creditor's credit bid under § 363(k), based on evidence presented by the creditor's committee establishing "a strong likelihood that there would be an auction that has a material chance of creating material creating material value for the estate over and above the [secured creditor's] present [credit] bid").

26. At this juncture, the Committee is hopeful that there may be bidding beyond any Celsius credit bid. As a general matter, however, the bankruptcy sale process currently contemplated is inappropriate, if used solely for the benefit of the secured parties. *See, e.g., In re White Glove, Inc.*, No. 98-12493DWS, 1998 WL 731611, at *6, n. 20 (Bankr. E.D. Pa. Oct. 14, 1998) ("The directive of the United States Trustee in this region to Chapter 7 trustees precludes a trustee sale for the sole benefit of a secured creditor"). Celsius may be permitted to credit bid on alleged security that does not include crypto assets. The Committee does not object to this limitation, with the caveat that the Committee's right to challenge any lien, valuation, or other aspects of the sale or alleged dispute as to Celsius's secured position. The Committee does object, however, to a prohibition at this stage in these cases that prevents the estates from exercising their rights under the Bankruptcy Code, should it turn out that Celsius solely benefits from any asset sale and distribution of any sale proceeds.

B. Any Section 506(c) and 552(b) Waivers Included in the Third Interim Proposed Order to Support Celsius Must Be Supported by Record Evidence, Which is Absent Here.

27. The Debtors have failed to meet their burden to justify the scope of the funding they seek. The Debtors request authority to fund the case with up to $25 million, including approximately $12.5 million over the next 13 weeks, yet they have offered no evidence explaining

why such funding is necessary or how those funds will be spent. The Renzi Declaration, filed in the early days of the cases, does not explain why administering this case requires this amount of funding, nor does it provide the transparency necessary for parties in interest to evaluate the reasonableness of the requested expenditures—particularly administrative and professional fees.

28. The Budget has been designated highly confidential, preventing the customers and other parties in interest from evaluating how estate resources are being allocated and whether the requested funding is necessary and appropriate. The Committee, being bound by the *Confidentiality Agreement*, dated April 6, 2026 between the Committee and Debtors, have nevertheless sealed the highly confidential information contained in this Objection.

29. This designation places parties in an untenable position. While the Debtors rely on the Budget to justify extraordinary relief (including the proposed section 506(c) and 552(b) waivers) stakeholders are deprived of the ability to review the very document on which that relief is premised. As a result, parties in interest are unable to assess the scope of anticipated administrative expenses, including professional fees, or to evaluate whether the proposed expenditures primarily benefit the estates as a whole, or instead benefit Celsius.

30. That lack of transparency is problematic here, where Celsius's asserted cash collateral totals only approximately $5–6 million, yet the Debtors seek authority to fund the case well beyond that amount—largely using comingled customer assets. On this ground alone, the Court should deny relief.

C. The Costs of the Sale Process Should Be Expressly Chargeable to Celsius's Purported Collateral Pursuant to Sections 506(c) and 552(b) of the Bankruptcy Code.

31. The Third Interim Proposed Order states that the "Debtors shall be deemed to have waived any rights, benefits or causes of action under section 506(c) of the Bankruptcy Code and under the "equities of the case" exception of section 552 of the Bankruptcy Code as they may

relate to or be asserted against the Prepetition Secured Party or the liens or collateral securing the Debtors' obligations to the Prepetition Secured Party." Third Interim Proposed Order ¶ 7. The Committee objects to the inclusion of this language.

32. A 506(c) waiver should not be given over an objection from the Committee and is not appropriate to be included in an interim form of order. This is not a unique argument. Judge Sontchi explained that this is a position he, "inherited from Judge Walsh years ago," with which he agreed: namely that "you don't give a 506 waiver over an objection by the committee." . . He further noted that, if necessary, the court could hold a hearing on 506(c), but that in twenty years, Judge Walsh "never had one," and concluded, "I would not be inclined to give a 506(c) waiver." *In re NEC Holdings Corp., et al,* Case No. 10-11890 (PJW) Hr'g Tr. 101:7-13 (Bankr. D. Del. July 13, 2010); *see also In re Colad Group, Inc.,* 324 B.R. 208, 224 (Bankr. W.D.N.Y. 2005) (refusing to approve surcharge waiver on the grounds that doing so "would impermissibly modify the laws and rules of bankruptcy").

33. Congress' intent in enacting section 506(c) was to ensure that a debtor or trustee would be entitled to recover expenses from its secured lender to the extent that those expenses are necessarily and reasonably associated with preserving or disposing of the lender's collateral. *In re Visual Industries, Inc.*, 57 F.3d 321, 325-26 (3d Cir. 1995). As section 506(c) covers all administrative expenses where "absent the costs expended, the property would yield less to the creditor than it does as a result of the expenditure." *Brookfield Prod. Credit Ass'n v. Borron*, 738 F.2d 951, 952 (8th Cir. 1984).[5]

[5] The Supreme Court has held that section 506(c) waivers should never be lightly granted, and that the management of a debtor-in-possession may only agree to such a waiver for the most compelling of reasons, because provisions such as these are binding on all parties in interest. *Hartford Underwriters Ins. v. Union Planters Bank N.A.*, 530 U.S. 1, 12 (2000) (debtor's decision to waive rights under section 506(c) must be made in a manner consistent with its obligations "to seek recovery under the section whenever [a debtor's] fiduciary duties so require"). While it is not unusual to waive the right to surcharge under section 506(c) when a lender funds a budget designed to cover all of the anticipated expenses of chapter 11 and a Committee is in agreement, the anticipated budget does not yet make clear

34. At this point in the case even though the Committee remains hopeful for a successful sale process, Celsius stands to be the principal beneficiary of this sale process, even though its credit bid will likely not result in a go-forward business given that Celsius is a liquidating bankruptcy estate. If Celsius is successful in its bid, it will likely resell the assets to yet another third-party bidder. Nevertheless, under these circumstances, bankruptcy courts routinely require a secured lender to "pay the freight" associated with the chapter 11 process. *See Precision Steel Shearing v. Fremont Fin. Corp. (In re Visual Indus., Inc.)*, 57 F.3d 321, 325 (3d Cir. 1995) ("[S]ection 506(c) is designed to prevent a windfall to the secured creditor . . . ."); *In re TerreStar Networks, Inc.*, 457 B.R. 254, 270 (Bankr. S.D.N.Y. 2011) ("'[Section 552(b)] is intended to prevent secured creditors from receiving windfalls and to allow bankruptcy courts broad discretion in balancing the interests of secured creditors against the general policy of the Bankruptcy Code, which favors giving debtors a 'fresh start.'") (quoting *In re Patio & Porch Sys. Inc.*, 194 B.R. 569, 575 (Bankr. D. Md. 1996)).

35. Until the payment of all administrative expenses is ensured under the Budget, the estates' rights under sections 506(c) and 552(b) of the Bankruptcy Code must be preserved. Section 506(c) of the Bankruptcy Code allows a debtor to charge the costs of preserving or disposing of a secured party's collateral to the collateral itself.[6] This provision ensures that the cost of preserving a lender's collateral is not paid from unsecured creditor recoveries.[7]

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that these estates will be administratively solvent throughout the Cases, especially where the budget suggests that the estates will need to sell customer cryptocurrency in order to continue operating as debtors-in-possession, presumably with the consent of the Court. It is also unusual to request such waivers in an interim order in a case where no new money has been provided. Under these circumstances, the Third Interim Proposed Order should expressly preserve the rights of the Debtor's estate under section 506(c) of the Bankruptcy Code.

[6] *See* 11 U.S.C. § 506(c); *Hartford Underwriters Ins. Co. v. Union Planters Bank, N.A.*, 530 U.S. 1, 12 (2000); 4 COLLIER ON BANKRUPTCY ¶ 506.05 ("In general, a secured creditor receives a 'benefit' within the meaning of section 506(c) if the relevant expense preserved or increased the value of its collateral.").

[7] *See In re Visual Indus., Inc.*, 57 F.3d at 325 ("[Section 506(c)] understandably shifts to the secured party, who has benefitted from the claimant's expenditure, the costs of preserving or disposing of the secured party's collateral, which costs might otherwise be paid from the unencumbered assets of the bankruptcy estate, providing that such

36. Here, a lion's share of the Budget accounts for professional fees. At least some of these professionals will orchestrate the sale process, which will benefit Celsius.[8] At a minimum, these ability to surcharge the cost of the administration of the sale process should be preserved under section 506(c), including the ability to surcharged Celsius's collateral, as may be appropriate. Courts have found that it is appropriate to charge the holder of a secured claim for professional fees and costs under section 506(c) when such creditor received a clear benefit from those actions. *See, e.g., Citibank, N.A. v. Official Creditors' Comm. (In re Wilson Freight Co.*), 21 B.R. 398, 401 (S.D.N.Y 1982)(permitting the payment of counsel for the committee's interim fees over secured party's objection when such Committee and its counsel had "taken a very strong position in preserving and protecting the assets which have benefited all who have an interest in the assets, including the secured creditor"); *see also, Moister v. The Farmers Bank (In re Truitt*), 15 B.R. 169, 171 (Bankr. N.D. Ga. 1981)(allowing certain attorneys' fees and costs under 506(c) for costs incurred while resolving a title dispute that was necessary for the sale of the property in question); *Radtke Heating and Sheet Metal Co., Inc. v. State Bank of Cherry,* 103 B.R. 932, 935 (N.D. Ill. 1989)(allowing attorneys' fees for collection of accounts receivables that a secured creditor held interests in); *In re Meat Serv. Specialties, Inc.*, 22 B.R. 350, 352 (Bankr. W.D. Okla. 1982) (permitting the recovery of administrative expenses in the chapter 11 case when the debtor and its counsel's actions preserved the rights of the secured creditor). To be sure, the estate is funding the sale process. If proceeds from the sale do not exceed Celsius's claim, the estate gets no benefit while having paid all costs.

unencumbered assets exist. Failing that, the costs of preserving the security for the secured party's benefit would otherwise fall on the warehouseman, auctioneer, appraiser, etc.").

[8] The Debtors have not estimated the costs of the sale process, so no constituency can understand the magnitude of the issue.

37. Similarly, the Court should also not allow the Debtors to waive its potentially valuable right under section 552(b) prior to the Committee properly examining the "equites of the case". The "equities of the case" exception in section 552(b) of the Bankruptcy Code [11 U.S.C. § 552(b)] allows a debtor, committee or other party-in-interest to exclude postpetition proceeds from prepetition collateral on equitable grounds, including to avoid having unencumbered assets fund the cost of a secured party's foreclosure.[9] It is intended to ensure that a secured creditor "does not receive a windfall benefit when a trustee uses assets of the estate."[10] *See In re TerreStar Networks, Inc*., 457 B.R. 254, 272-73 (Bankr. S.D.N.Y. 2011) (denying request for 552(b) waiver as premature because factual record was not fully developed).

38. Delaware courts apply the equities-of-the-case analysis where estate resources enhance collateral value, focusing on fairness and windfall prevention. *See In re Tower Air, Inc*., 268 B.R. 404, 408 (Bankr. D. Del. 2001), aff'd, 397 F.3d 191 (3d Cir. 2005). Here, there sale proceeds be generated through post-petition efforts by the estate, professionals, and other stakeholders could create, preserve, and monetize value for Celsius.

39. As such, equities of the case weigh strongly against the Debtor waiving its rights under 552(b) at this time where the value realized is attributable not to its collateral, but to the estate's work and resources. *See, e.g., In re Metaldyne Corp.*, 2009 WL 2883045, at *6 (Bankr. S.D.N.Y. June 23, 2009) ("[T]he Court, in its discretion, declines to waive prospectively an argument that other parties in interest may make. If, in the event, the Committee or any other party

[9] *See* 11 U.S.C. § 552(b); *In re TerreStar Networks, Inc.*, 457 B.R. at 270 ("'[Section 552(b)] is intended to prevent secured creditors from receiving windfalls and to allow bankruptcy courts broad discretion in balancing the interests of secured creditors against the general policy of the Bankruptcy Code, which favors giving debtors a 'fresh start.'") (quoting *In re Patio & Porch Sys. Inc.*, 194 B.R. at 575).

[10] *In re Barbara K. Enterprises, Inc*., No. 08–11474, 2008 WL 2439649, *11 (Bankr. S.D.N.Y. June 16, 2008); *see In re Photo Promotion Assocs*., 61 B.R. 936, 939–40 (Bankr. S.D.N.Y. 1986) (recognizing the court has significant discretion to apply pre-petition security interests to post-petition proceeds of property under the equities of the case, and ruling that creditor's security interest did not extend to proceeds from the sale of inventory that required the trustee to expend post-petition funds to prepare for sale).

[in] interest argues that the equities of the case exception should apply to curtail a particular lender's rights, the Court will consider it."). Thus, the waiver of the estate's rights under section 552(b) is inappropriate.

RESERVATION OF RIGHTS

40. The Committee and its professionals are continuing to gather information, and communicate with the Debtors and other parties in interest regarding these Chapter 11 Cases and the proposed sale process and budgeting. Accordingly, the Committee expressly reserves the right to object to the Cash Collateral Motion and the Third Interim Proposed Order on any grounds at or prior to the hearing.

CONCLUSION

The Committee respectfully requests that the objections raised herein be granted, addressed and incorporated into any revised Interim Cash Collateral Order and grant the Cash Collateral Motion on terms that are satisfactory to the Committee and that the Court grant other further relief that is just and appropriate.

Dated: April 13, 2026

MORRIS JAMES LLP

/s/ Tara C. Pakrouh

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Proposed Counsel to the Official Committee of Unsecured Creditors

Exhibit A

Budget

FOR PROFESSIONAL EYES ONLY

BlockFills
Interim Cash Collateral Spend Estimate
Period Ended 5/17/26

DRAFT - PRIVILEGED & CONFIDENTIAL
SUBJECT TO REVIEW AND REVISION
SUBJECT TO FRE 408
NOT AN OFFER OR COMMITMENT

FOR PROFESSIONAL EYES ONLY

BlockFills
13WCF - Debtors
(USD in thousands)

	Petition									
Week Ended--->	3/20	3/27	4/3	4/10	4/17	4/24	5/1	5/8	5/15	Total
Week #--->				1	2	3	4	5	6	
Est/Fcst--->	Est.	Est.	Est.	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst
I. Operating Disbursements										
1.) Salary & Incentive Comp	-	(20)	(94)	-	(130)	-	(159)	-	(159)	(562)
2.) Benefits	-	-	(14)	-	-	-	(41)	(4)	-	(59)
3.) Contractors	-	-	-	-	-	-	-	-	-	-
4.) Occupancy	-	-	(24)	-	-	-	-	(24)	-	(48)
5.) Advertising & Marketing	-	-	-	(4)	-	-	(3)	-	(4)	(10)
6.) Insurance	-	-	(0)	-	-	-	-	-	-	(0)
7.) Technology	-	(0)	-	(35)	(31)	(1)	(14)	(3)	(30)	(113)
8.) Professional (Non-Restructuring)	-	-	-	-	(30)	-	(45)	(50)	(20)	(145)
9.) Other Operating Disbursements	-	-	(6)	-	-	(50)	(53)	(50)	(50)	(209)
10.) Total - Operating Disbursements	-	(20)	(139)	(38)	(191)	(51)	(315)	(132)	(263)	(1,148)
II. Restructuring Related Expenses										
11.) Professional Fees	-	-	-	-	-	-	-	-	-	-
12.) Other Bankruptcy Disbursements	-	-	-	(33)	-	-	-	(20)	-	(53)
13.) Total - Restructuring Related Expenses	-	-	-	(33)	-	-	-	(20)	-	(53)
14.) Total OpEx	-	(20)	(139)	(71)	(191)	(51)	(315)	(152)	(263)	(1,201)
III. Interim Cash Rollforward										
15.) Beginning Balance	-	777	1,598	2,819	3,850	5,000	6,743	8,750	10,595	-
16.) (+) OpEx	-	20	139	71	191	51	315	152	263	1,201
17.) (+) Professional Fees to Escrow	777	802	1,082	960	960	1,561	1,561	1,561	1,511	10,772
18.) (+) Contingency	-	-	-	-	-	131	132	132	132	527
19.) Ending Balance	777	1,598	2,819	3,850	5,000	6,743	8,750	10,595	12,500	12,500
IV. Professional Fee Summary - Weekly Accruals Est.										
20.) Debtor Counsel - Katten	25	25	25	25	25	25	25	25	25	225
21.) Debtor Local Counsel - MWS	567	567	567	450	450	626	626	626	626	5,102
22.) Debtor FA - BRG	125	150	180	175	175	200	200	200	200	1,605
23.) UCC Counsel - Morris James	-	-	150	150	150	238	238	238	238	1,400
24.) UCC FA - FTI	-	-	100	100	100	263	263	263	263	1,350
25.) Independent Director Advisory	50	50	50	50	50	200	200	200	150	1,000
26.) Claims Agent - Verita	10	10	10	10	10	10	10	10	10	90
27.) **Total**	**777**	**802**	**1,082**	**960**	**960**	**1,561**	**1,561**	**1,561**	**1,511**	**10,772**