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

In re:	§	Chapter 11
	§	
RHODIUM ENCORE LLC, *et al.*,[1]	§	Case No. 24-90448 (ARP)
	§	
Debtors.	§	
	§	(Jointly Administered)
	§	

DEBTORS' MOTION FOR SANCTIONS RELATING TO CLAIM NUMBERS 004, 062, AND 068-072 FILED BY MIDAS GREEN TECHNOLOGIES LLC PURSUANT TO 11 U.S. CODE § 105 AND 35 U.S. CODE § 285
(Relates to ECF Nos. 953, 954, 1069, 1413)

IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING. UNLESS OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR RESPONSE ELECTRONICALLY AT HTTPS://ECF.TXSB.USCOURTS.GOV/ WITHIN TWENTY-ONE DAYS FROM THE DATE THIS MOTION WAS FILED. IF YOU DO NOT HAVE ELECTRONIC FILING PRIVILEGES, YOU MUST FILE A WRITTEN OBJECTION THAT IS ACTUALLY RECEIVED BY THE CLERK WITHIN TWENTY-ONE DAYS FROM THE DATE YOU WERE SERVED WITH THIS PLEADING. YOU MUST SERVE A COPY OF YOUR RESPONSE ON THE PERSON WHO SENT YOU THE NOTICE; OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF.

Pursuant to 11 U.S. Code § 105 and 35 U.S. Code § 285, Rhodium Encore LLC and its affiliates, as debtors and debtors in possession (collectively, the "Debtors" or "Rhodium") in the above-captioned chapter 11 cases, hereby file this motion for sanctions against Midas Green Technologies LLC and its counsel, and move for reimbursement of all fees associated with filing

[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.

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Debtors' Amended Omnibus Objection To Claim Numbers 004, 062, and 068-072 Filed by Midas Green Technologies LLC (the "Objection") and all briefs in support thereof. Sanctions are warranted because claim numbers 004, 062, and 068-072 filed by Midas Green Technologies (the "Midas Claims") were filed for an improper purpose, based upon legal contentions not warranted by existing law, and based upon factual contentions that are without evidentiary support.[2] In support of this motion, the Debtors respectfully state as follows:

INTRODUCTION

1. Midas Green Technologies, LLC ("Midas Green," or "Midas") filed ***seven*** proofs of claim seeking damages of $25-43 million, based on alleged patent infringement at Debtors' former Temple and Rockdale locations. As explained more fully in *Debtors' Summary Judgment Motion In Support Of Amended Omnibus Objection To Claim Numbers 004, 062, and 068-072 filed by Midas Green Technologies LLC* (ECF No. 1486) (the "Summary Judgment Motion"), which Debtors incorporate herein by reference along with all supporting papers, Midas's claims are utterly without merit. Midas's claims for patent infringement were previously dismissed on summary judgment by the United States District Court for the Western District of Texas or dropped by Midas. Midas interposed its objections for the improper purpose of delaying a bankruptcy proceeding in which time is of the essence for confirming a plan. Midas hopes, by holding the estate and its creditors hostage, to force a favorable settlement of claims it has already lost or withdrawn, and that it knows are baseless. Because its contentions lack support under either law or evidence, and because its conduct reveals a purpose to delay and to leverage the parties' need to make distributions in this case, Debtors should be awarded their reasonable attorneys' fees and

[2] Capitalized terms used but not otherwise defined herein have the meaning ascribed to them in the Objection.

expenses incurred in opposing Midas's proofs of claim. Bankruptcy Rule 9011(b)(1)-(3); 28 U.S.C. § 1927; 35 U.S.C. § 285.[3]

BACKGROUND

2. Midas already litigated these same patent claims and lost. It first asserted the patent infringement claims on which its proofs of claim are based in a complaint it filed on January 13, 2022, in the U.S. District Court for the Western District of Texas. Over the course of two-plus years of litigation, Midas dropped one of the asserted patents entirely (U.S. Patent No. 10,820,446, "the '446 Patent") and withdrew all but two claims of the other (U.S. Patent No. 10,405,457, "the '457 Patent"). At the final pretrial conference on April 9, 2024, after fulsome discovery, numerous expert reports, and nearly all pretrial procedures were complete, the district court granted summary judgment of noninfringement, dismissing Midas's last two patent claims, and canceled the impending trial. Apr. 9 Hrg. Tr. at 54:10-16.

3. Midas asked the district court if it would be possible to re-address the summary judgment ruling after amending its expert report, and in response, the court said, "you've had your chance" and that it "d[id]n't think it [an amendment] would" benefit it, but would let the parties know if that changed. *Id.* at 54-55. The District Court never sought any further expert submissions from the parties.

4. After this Court partially lifted the automatic stay for the limited purpose of allowing the district court to issue a written ruling memorializing the summary judgment grant, the district court asked the parties to submit a proposed form of written order "reflecting those

[3] *See In re Royal Manor Mgmt., Inc.*, 525 B.R. 338, 373 (B.A.P. 6th Cir. 2015), *aff'd*, 652 F. App'x 330 (6th Cir. 2016) (awarding sanctions for dilatory filing of proofs of claim seeking "to lever the collective desire for efficient administration that bankruptcy seeks to afford claim holders to gain recognition of a claim that had no merit" and noting that "[i]t appears that [Claimant] thought his blockades to distribution might substitute for the lack of merit of the claims that he advanced.").

rulings"—confirming its intent to memorialize the ruling it had already made, not to revisit it. Jan. 30, 2025, Email.

5. Undeterred, Midas filed proofs of claim in this bankruptcy proceeding based on its defunct claims of patent infringement. When it filed its proofs of claim, Midas attached the same operative complaint it had previously filed in the district court in March of 2023—without informing this Court that (i) during the prior litigation it had subsequently withdrawn one of the two patents asserted in that complaint (the '446 Patent) entirely and had dropped seven asserted claims of the other asserted patent (the '457 Patent), leaving only two asserted claims; or that (ii) the district court had already considered those two claims, found in Rhodium's favor, and granted summary judgment against Midas.

6. Midas compounded its vexation by mischaracterizing the District Court's ruling, suggesting it was not final when it was.

7. In its prior pleadings in this Court, Midas baldly, impermissibly sought to relitigate its claims, making identical arguments to those the district court had already rejected.

8. Even if Midas were making these arguments for the first time, they would be sanctionably weak. In the first instance, and again here, Midas (i) accused a system whose heat sensors were not installed and thus was not physically capable of taking a temperature and infringing, (ii) accused systems that did not take or use, and were incapable of taking or using, "the temperature of the dielectric fluid in the tank" even though every claim of Midas's patents specifically requires the use of that variable, (iii) abandoned all of its equivalence arguments (which are required if there is no literal infringement) on summary judgment, and (iv) never identified any component that could even arguably "coordinate the operation of the primary and secondary fluid circulation facilities" as the asserted claims require.

9. The Debtors have informed Midas that its actions are sanctionable, and that if it did not withdraw its baseless claims, they would pursue sanctions. Midas refused to do so.

ARGUMENT

A. The Court Should Award Sanctions Pursuant to Section 105 of the Bankruptcy Code and its Inherent Authority

10. Section 105 authorizes a bankruptcy court to issue orders as necessary to further the purposes of the Bankruptcy Code. *In re Dansereau*, 274 B.R. 686, 689 (Bankr. W.D. Tex. 2002). A bankruptcy court's authority to issue sanctions under § 105 comports with its inherent power to sanction. *In re Brown*, 444 B.R. 691, 694 (Bankr. E.D. Tex. 2009). Bankruptcy courts regularly utilize their inherent authority to overcome procedural limitations that would otherwise allow bad behavior to go unaddressed. *See, e.g.*, *Kriet v. Quinn*, 2021 WL 222803, at *1 (S.D. Tex. Jan. 19, 2021), *aff'd sub nom. In re Cleveland Imaging & Surgical Hosp., L.L.C.*, 26 F.4th 285 (5th Cir. 2022) ("The court had the power to impose sanctions without a safe-harbor period under its own authority and chose to do so instead of waiting for a Rule 9011 motion."). Section 105 of the Bankruptcy Code broadens available sanctions by providing courts with "independent statutory contempt and other authority." *In re Rojas*, No. 07-70058, 2009 WL 2496807, at *6 (Bankr. S.D. Tex. Aug. 12, 2009) ("T]he fundamental purpose of § 105 is to avoid the expense and delay of bifurcated and multi-faceted litigation by affording bankruptcy courts the authority to fashion equitable remedies that accomplish the aggregate result of piece-meal litigation with a single order or judgment"). *In re Rojas*, 2009 WL 2496807, at *8 (Bankr. S.D. Tex. Aug. 12, 2009).

11. A bankruptcy court may sanction a litigant for bad faith filing or litigation if the court makes specific findings, based on clear and convincing evidence, of bad faith or willful abuse of the judicial process. *See In re Rodriguez*, 652 B.R. 750, 760 (Bankr. S.D. Tex. 2023). To

support sanctions under section 105, the Court must find that Midas filed its claims in bad faith and that finding must be supported by clear and convincing evidence. *In re Highland Cap. Mgmt., L.P.*, 2024 WL 959335, at *5 (Bankr. N.D. Tex. Mar. 5, 2024) ("A bankruptcy court may sanction a litigant for bad faith filing or litigation if the court makes specific findings, based on clear and convincing evidence, of bad faith or willful abuse of the judicial process."). Bad faith conduct may be established if a court finds that the party "deliberately abused the judicial process." *Id.* Intentional deceit also shows bad faith warranting sanctions. *In re Paige*, 365 B.R. 632, 639 (Bankr. N.D. Tex. 2007).

12. Midas's actions represent an egregious disregard for law and fact, providing ample evidence to support a finding of bad faith. *First*, even a passing inquiry into the facts underlying Midas's patent infringement claims reveals that they cannot support a claim of patent infringement. As set forth fully in the Summary Judgment Motion, Midas primarily accused a system at Rhodium's former Temple facility that did not have temperature sensors installed and that consequently was not physically capable of measuring a temperature, even though the patent claims require taking a step as "a function of the temperature of the dielectric fluid in the tank." Summary Judgment Motion ¶ 55. No colorable argument exists for infringement by a system that cannot measure temperature at all.

13. Midas also levied throw-away accusations at systems that did not and could not measure "the temperature of the dielectric fluid in the tank"—only other temperatures—even though every claim of Midas's patents specifically requires the use of that variable. Summary Judgment Motion at ¶¶ 56-57, 60-61, 64. Further, Midas never identified any component that could even arguably meet the "adapted to coordinate the operation of the primary and secondary fluid circulation facilities" claim element—only components that acted upon either the primary or

the secondary fluid circulation facility but were not adapted to coordinate both as the asserted claims require. Summary Judgment Motion ¶¶ 58-59, 62, 63. This meant there could not possibly be literal infringement, which requires the accused device to contain every element of the claim exactly. *Id.* at ¶ 57; *Smith & Nephew, Inc. v. Arthrex, Inc.*, 2010 WL 457142, at *2 (E.D. Tex. Feb. 5, 2010).[4]

14. *Second*, Midas continues to pursue claims that have already been litigated and found wanting. On the merits, Midas's infringement claims are baseless and were obviously baseless from the beginning of the District Court Litigation. The grant of summary judgment made the obvious inescapable. To make matters worse, in the proofs of claim it filed, Midas did not inform this Court that the District Court had granted summary judgment against it. Summary Judgment Motion, Ex. 11. And Midas attached its operative complaint from 2023 to detail its claims, even though that complaint asserted seven claims of the '457 Patent and six claims of the '446 Patent (i.e., all the claims it had asserted for that patent), which Midas had subsequently dropped in the district court litigation. Summary Judgment Motion, ¶12 (text), 12 n.5. In purporting to revive claims and a patent it had withdrawn, Midas sought to expand a case in this Court that had already been narrowed through a highly contested litigation process.

15. *Third*, Midas advanced unsupported damages claims on a scale of $25-$43 million, large enough to ensure its claims would pose an obstacle to plan confirmation and distributions to creditors of the Debtors, force delay, and attempt to give Midas an unwarranted tactical leverage. Midas sought damages considerably larger than the $22 million it demanded in the District Court—even though that court had reduced Midas's damages claims by excluding (i) its theory

[4] The only other path to infringement is the doctrine of equivalents. But Midas abandoned all its equivalence arguments on summary judgment, implicitly conceding those theories to be so weak they were not even worth presenting to a court. Summary Judgment Motion ¶ 65.

based on projected future profits (which are also unavailable as a matter of law in this Court), (ii) its lost profits theory, and (iii) its reasonable royalty theory that was based on its rejected lost profits theory, fatally speculative, and rife with other errors. Summary Judgment Motion, ¶¶ 66-69. As Midas must know, its damages claims are preposterous.[5] It has nonetheless presented an inflated damages claim, despite the lack of supporting evidence and dramatic reductions by the District Court, for the tactical purpose of attempting to put settlement pressure on Debtors.

16. Midas's attempt to relitigate claims that it has already lost or abandoned and to seek an enormous sum it could never hope to prove is wasteful. Its actions make clear its motive is to churn proceedings, cause delays that hold up the Debtors' plan process, and, by doing so, give itself leverage using claims it knows (and was told by the Western District) have no merit.

17. In these proceedings, Midas has presented the Court with an array of contradictory and untimely arguments. It has: (i) filed a proof of claim, voluntarily submitting itself to this Court's jurisdiction; (ii) argued that the Claim Objection be stayed pending a written order by the District Court, which already found noninfringement and has paid Midas's Claims no attention in over a year; (iii) argued, for the first time, at the July 8 hearing that this Court lacks jurisdiction; (iv) moved to withdraw the reference *four months* after the Debtors filed their Objection, after requiring the parties to file numerous pleadings in this Court regarding the Midas Claims; and (v) presented no witnesses, exhibits or experts at the September 23-24, 2025 evidentiary hearing on its patent claims but instead sought further delay. These tactics only make sense in the context of a litigant that knows its claims are futile but believes it can still benefit by draining estate resources and holding these cases hostage until the debtors accede to its demands. Midas knows that it has

[5] Conceding this point, Midas recently filed a motion to amend its claims to $12,306,287 in total. ECF No. 1580. The Debtors do not oppose this amendment, however, Midas's motion to amend—filed a week after the originally scheduled hearing—does not resolve the time and resources the Debtors were forced to spend litigating Midas's inflated claims.

forced the Debtors to expend significant estate resources on its claims, while putting forth a series of truncated and slapdash pleadings that support its ultimate goal of imposing maximum delay on the Debtors in exchange for Midas's lowest investment of time and cost. Advancing these numerous meritless arguments undermines the integrity of the bankruptcy system and clearly demonstrates bad faith. *In re Rodriguez*, 652 B.R. 750, 761 (Bankr. S.D. Tex. 2023).

18. Moreover, Midas's misrepresentations regarding the posture of the District Court litigation warrant sanctions. In its initial response to the Court's claim objection, Midas misleadingly stated that there is uncertainty regarding the finality of the District Court's ruling, and it has repeated that argument in each of its pleadings since. *See* ECF No. 1069. As the Debtors have explained, an oral ruling can be final. *Ueckert v. Guerra*, 38 F.4th 446, 449, 450 (5th Cir. 2022) ("A bench ruling can be effective without a written order … if it is final" and it is final if the district court "intended that its order be effective immediately."). Even if Midas could plausibly disagree that the District Court's ruling has a preclusive effect, practically, Midas knows that the case is over. Shortly after the District Court's Ruling, that court canceled the forthcoming trial as well as all scheduled proceedings. In a case that has been stagnant for a year and a half, Midas cannot reasonably believe that the District Court intends to allow further briefing or an amendment to Midas' expert report, which it excluded even before reaching its summary judgment ruling of noninfringement. *C.F. Ginther v. Texas Com. Bank*, N.A., 111 F.R.D. 615, 621 (S.D. Tex. 1986) ("Even without the existence of the May 16, 1985, order, it should have been obvious to an attorney that the matters alleged in the present complaint have all been previously litigated, and on such a finding a Court will impose sanctions…Ginther and his attorney must reimburse the Defendants for the costs, expenses and attorneys' fees incurred in connection with responding to

the instant suit."); *McGregor v. Bd. of Comm'rs of Palm Beach Cnty.*, 956 F.2d 1017, 1022–23 (11th Cir. 1992) ("By dismissing Count I, the county prevailed upon that issue in the district court under § 1988. Therefore, McGregor is liable for the county's costs and attorney's fees incurred in litigating that count."); *Meyers v. Textron Fin. Corp.,* 609 F. App'x 775, 780–81 (5th Cir. 2015) (upholding sanctions when plaintiff's statement of facts was "mostly copied *verbatim* from a brief filed previously with this court, rehashing their already-rejected fraud claims without a single citation to the record, and is largely irrelevant to this appeal.") (emphasis in original). But despite knowing its infringement claims to be futile, Midas seeks to calculatedly use the judicial process to hold up the Debtors' plan process in the hope of extracting a payment for meritless, worthless claims.

B. The Court Should Award Sanctions Pursuant to the Patent Act

19. The Patent Act provides another basis for the Court to grant appropriate sanctions against Midas and its counsel. Section 285 of the Patent Act provides that "[t]he court in exceptional cases may award reasonable attorney fees to the prevailing party." 35 U.S.C. § 285. Bankruptcy courts possess explicit statutory authority to resolve "any or all proceedings arising under title 11 or arising in or related to a case under title 11." 11 U.S.C. § 157. Through this authority, bankruptcy courts routinely apply federal statutes that would otherwise be resolved by a district court, including section 285. *See, e.g., In re Roeder*, 2009 WL 4907014, at *13 (Bankr. N.D. Iowa Dec. 14, 2009) (finding case exceptional and awarding attorney fees under § 285); *In re AI Realty Mktg. of New York, Inc.*, 293 B.R. 586, 620 (Bankr. S.D.N.Y. 2003), *adhered to on reconsideration*, 304 B.R. 622 (Bankr. S.D.N.Y. 2004), and *aff'd in part, rev'd in part sub nom. Sunbeam Prods., Inc. v. Wing Shing Prods. (BVI) Ltd.*, 311 B.R. 378 (S.D.N.Y. 2004), *aff'd*, 153

F. App'x 703 (Fed. Cir. 2005) (recognizing authority to award fees under § 285 but declining on the merits to award them).

20. The awarding of attorney fees pursuant to 35 U.S.C. § 285 is an issue unique to patent law that is subject to Federal Circuit law." *Special Devices, Inc. v. OEA, Inc.*, 269 F.3d 1340, 1343 (Fed. Cir. 2001). Under Federal Circuit law, "an 'exceptional' case is simply one that stands out from others with respect to the substantive strength of a party's litigating position ... or the unreasonable manner in which the case was litigated." *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 572 U.S. 545, 554 (2014). Bases for exceptionality can include a clear weakness of the infringement claims on the merits, public availability of information demonstrating noninfringement before the infringement suit was filed, notice of noninfringement after the complaint was filed, or the continuation of litigation after it was apparent claims were objectively baseless. *Dragon Intell. Prop. LLC v. DISH Network L.L.C.*, 101 F.4th 1366, 1370, 1371 (Fed. Cir. 2024) (affirming exceptional case finding and decision to award attorney fees, citing these factors); *see Octane Fitness, LLC*, 572 U.S. at 554 ("courts determine whether a case was exceptional in the "exercise of their discretion, considering the totality of the circumstances").

21. All of those factors are present in Midas's proofs of claim. While a reasonable litigant would have recognized the obvious flaws in Midas's infringement case long before the summary judgment stage, the weakness of Midas's case became undeniable—even to an unreasonable litigant—when the District Court rejected it on summary judgment. The summary judgment ruling constituted a substantive judicial determination (on a full record) that Midas's claims lacked evidentiary support, and that decision has preclusive effect in this Court. Summary Judgment Motion ¶¶ 29-47. But Midas pressed those claims in this Court anyway, even though it was intimately familiar with both the evidentiary record and the District Court's ruling before it

filed its proof of claim. *See Dragon*, 101 F.4th at 1370 (continuing litigation after it is apparent claims are baseless contributes to exceptional case finding).

C. The Court Should Order Midas to Pay All Attorneys' Fees and Expenses That the Debtors Incurred Litigating the Midas Claims

22. Courts have discretion to fashion appropriate sanctions and can use that discretion to require an offending party to pay attorney's fees. *In re Paige*, 365 B.R. 632, 640 (Bankr. N.D. Tex. 2007) (awarding fees and costs pursuant to section 105); *In re Rembrandt Techs. LP Pat. Litig.*, 899 F.3d 1254, 1277 (Fed. Cir. 2018) (awarding fees pursuant to the Patent Act). Further, the broad remedial authority granted by section 105 allows this Court to issue any order necessary to address Midas's bad faith conduct. *In re Rojas*, 2009 WL 2496807, at *7 (Bankr. S.D. Tex. Aug. 12, 2009) (quoting Jove *Eng'g, Inc. v. I.R.S.*, 92 F.3d 1539, 1554 (11th Cir. 1996) ("Therefore, the plain meaning of § 105(a) encompasses *any* type of order, whether injunctive, compensative or punitive, as long as it is 'necessary or appropriate to carry out the provisions of' the Bankruptcy Code.") (emphasis in original)).

23. When imposed against litigants, "financial penalties have been characterized as perhaps 'the most effective way to deter a powerful and wealthy party from bringing frivolous or vexatious litigation." *Thomas v. Cap. Sec. Servs., Inc.*, 836 F.2d 866, 879 (5th Cir. 1988); *see Donaldson v. Clark*, 819 F.2d 1551, 1557 (11th Cir. 1987) ("Imposing a financial penalty often will be the most effective and fair means of…deterring baseless suits.). The payment of attorney's fees and expenses, ensures that "victims of frivolous lawsuits do not pay the expensive legal fees associated with defending such lawsuits" and that litigants do not maintain baseless legal arguments. *Thomas v. Cap. Sec. Servs., Inc.*, 836 F.2d at 879.

24. In this case, monetary sanctions provide the only means to address Midas's decision to leverage settlement from the Debtors through its continued pursuit of baseless claims. Midas

has known that no Court will find infringement for its claims at least since the District Court's summary judgment ruling, before it filed its proofs of claim. Therefore, the Debtors request that the Court order Midas to reimburse all fees that the Debtors have accrued in these cases litigating the Midas Claims.

25. Midas should never have filed its proofs of claim, and when they filed the proofs of claim, Midas's counsel knew they were bringing meritless, vexatious litigation. The Debtors have made every effort to mitigate the costs associated with the Midas Claims, first by seeking to lift the stay to allow a written order in district court, and then by attempting to avoid protracted litigation through the Motion to Estimate and the Summary Judgment Motion. In these circumstances, an award of all fees in this action is the minimal amount to appropriately compensate the Debtors and deter similar tactics. *See Chambers v. NASCO, Inc.*, 501 U.S. 32, 56–57 (1991) ("the District Court concluded that full attorney's fees were warranted due to the frequency and severity of Chambers' abuses of the judicial system and the resulting need to ensure that such abuses were not repeated. Indeed, the court found Chambers' actions were 'part of [a] sordid scheme of deliberate misuse of the judicial process' designed 'to defeat NASCO's claim by harassment, repeated and endless delay, mountainous expense and waste of financial resources.'").

CONCLUSION

Debtors respectfully request that the Court issue an order (i) awarding the Debtors sanctions in such amount as will compensate them for their damages and expenses caused by the filing of Midas's proofs of claim, as well as deter conduct of this type in the future; and (ii) granting such other and further relief as the Court may deem just and appropriate.

RESERVATION OF RIGHTS

26. Nothing contained herein is intended to be or shall be deemed as (i) an admission as to the validity of any claim against the Debtors, (ii) a waiver or limitation of the Debtors' or any

party in interest's rights to dispute the amount of, basis for, or validity of any claim, (iii) a waiver of the Debtors' rights under the Bankruptcy Code or any other applicable nonbankruptcy law, (iv) an agreement or obligation to pay any claims, (v) a waiver of any claims or causes of action which may exist against any creditor or interest holder, or (vi) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy under section 365 of the Bankruptcy Code. Likewise, if the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended to be and should not be construed as an admission to the validity of any claim or a waiver of the Debtors' rights to dispute such claim subsequently.

Respectfully submitted this 14th day of October, 2025.

QUINN EMANUEL URQUHART & SULLIVAN, LLP

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Certificate of Service

I, Patricia B. Tomasco, hereby certify that on the 14th day of October, 2025, a copy of the foregoing Motion was served by 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
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	Chapter 11
	§	
RHODIUM ENCORE LLC, *et al.*,[1]	§	Case No. 24-90448 (ARP)
	§	
Debtors.	§	
	§	(Jointly Administered)
	§	

ORDER SUSTAINING THE DEBTORS' MOTION FOR SANCTIONS RELATING TO CLAIM NUMBERS 004, 062, AND 068-072 FILED BY MIDAS GREEN TECHNOLOGIES LLC PURSUANT TO 11 U.S. CODE § 105 AND 35 U.S. CODE § 285

(Relates to ECF No. ____)

Upon consideration of *Debtors' Motion for Sanctions Relating to Claim Numbers 004, 062, and 068-072 Filed by Midas Green Technologies LLC Pursuant to 11 U.S. Code § 105 and 35 U.S. Code § 285* (the "Motion");[2] and this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided; and such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and the Court having found and determined that the legal and factual bases set forth in the Motion establish

[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 used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

just cause for the relief granted herein; and after due deliberation thereon; and good and sufficient cause appearing therefor;

IT IS HEREBY ORDER THAT:

1. The Motion is sustained as provided herein.

2. Midas Green Technologies LLC and its counsel Thomas Whitelaw & Molegraff LLP and Scheef & Stone, LLP are liable for such amount as will compensate the Debtors for all fees and expenses incurred litigating Midas's proofs of claim.

3. This order is immediately effective and enforceable.

4. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this order.

Dated: _____ , 2025

ALFREDO R. PEREZ
UNITED STATES BANKRUPTCY JUDGE