

WHITE & CASE LLP

David M. Turetsky
Samuel P. Hershey
Joshua D. Weedman
1221 Avenue of the Americas
New York, New York 10020
Telephone: (212) 819-8200
Facsimile: (212) 354-8113
Email: david.turetsky@whitecase.com
sam.hershey@whitecase.com
jweedman@whitecase.com

WHITE & CASE LLP

Gregory F. Pesce (admitted *pro hac vice*)
111 South Wacker Drive, Suite 5100
Chicago, Illinois 60606
Telephone: (312) 881-5400
Facsimile: (312) 881-5450
Email: gregory.pesce@whitecase.com

– and –

– and –

WHITE & CASE LLP

Keith H. Wofford
Southeast Financial Center
200 South Biscayne Blvd., Suite 4900
Miami, Florida 33131
Telephone: (305) 371-2700
Facsimile: (305) 358-5744
Email: kwofford@whitecase.com

WHITE & CASE LLP

Aaron E. Colodny (admitted *pro hac vice*)
555 South Flower Street, Suite 2700
Los Angeles, California 90071
Telephone: (213) 620-7700
Facsimile: (213) 452-2329
Email: aaron.colodny@whitecase.com

*Counsel to the Litigation Oversight Committee,
Mohsin Y. Meghji as Litigation Administrator, and
Blockchain Recovery Investment Consortium, LLC
as Complex Asset Recovery Manager*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
CELSIUS NETWORK LLC, <i>et al.</i> , ¹)	Case No. 22-10964 (MG)
Post-Effective Date Debtors.)	(Jointly Administered)

**LITIGATION ADMINISTRATORS' QUARTERLY REPORT
FOR THE OCTOBER 1, 2025 TO DECEMBER 31, 2025 PERIOD**

¹ The "Post-Effective Date Debtors" in these chapter 11 cases, along with the last four digits of each Post-Effective Date Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The Post-Effective Date Debtors' service address in these chapter 11 cases is the Corporation Trust Company, Registered Office of Celsius Network, LLC, 1209 Orange Street, Wilmington, DE 19801.

Mohsin Y. Meghji, as the Litigation Administrator (in such capacity, the “**Litigation Administrator**”), and Blockchain Recovery Investment Consortium, LLC, as the Complex Asset Recovery Manager (in such capacity, the “**ARM**” and together with the Litigation Administrator, collectively, the “**Litigation Administrators**”) appointed under the *Modified Joint Chapter 11 Plan of Reorganization of Celsius Network LLC and Its Debtor Affiliates (Conformed for MiningCo Transaction)* [Dkt. No. 4289] (the “**Plan**”)² submit this quarterly report pursuant to Section 4.13 of the Litigation Administrator Agreement³ and Section 4.10 of the Litigation Administrator (ARM) Agreement (this “**Quarterly Report**”):

Preliminary Statement

1. On January 31, 2024, the Plan became effective in accordance with its terms [Dkt. No. 4298]. On the Effective Date, the Litigation Administrator was appointed to, among other things, prosecute, settle, or otherwise resolve any remaining Disputed Claims (including any related Causes of Action that are not released, waived, settled, or compromised pursuant to the Plan), the Recovery Causes of Action, and the Contributed Claims for the benefit of holders of Claims entitled to receive Litigation Proceeds under the Plan in accordance with the Litigation Administrator Agreement. The ARM was also appointed on the Effective Date and charged with administering and monetizing the Post-Effective Date Debtors’ illiquid assets identified on the schedule attached to the Litigation Administrator (ARM) Agreement (the “**ARM Claims**”).

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

³ In accordance with the Plan and Confirmation Order, (i) the Debtors and the Litigation Administrator entered into that certain *Litigation Administrator Agreement*, see Ex. B [Dkt. No. 4297] (the “**Litigation Administrator Agreement**”), and (ii) the Debtors and the Litigation Administrator (ARM) entered into that certain *Litigation Administrator and Complex Asset Recovery Manager Agreement*, see Ex. C [Dkt. No. 4297] (the “**Litigation Administrator (ARM) Agreement**”).

2. Since the Effective Date, the Litigation Administrators have worked diligently, under the oversight of the Litigation Oversight Committee and on behalf of the Celsius estates, to fulfill their fiduciary duties to the Post-Effective Date Debtors' creditors, pursue claims and causes of action, and monetize assets for the benefit of creditors. Between October 1, 2025 and December 31, 2025, the Litigation Administrators recovered and generated approximately \$312 million in cash. As of December 31, 2025, the Litigation Recovery Account held a cash balance of approximately \$123 million.

3. During the fourth quarter of 2025, approximately \$257.1 million was transferred from the Litigation Recovery Account to the Plan Administrator for distribution to creditors entitled to receive the proceeds of Litigation Proceeds and Illiquid Recovery Rights under the Plan. In the aggregate to date (inclusive of the fourth quarter of 2025 transfer), approximately \$447.2 million has been transferred from the Litigation Recovery Account to the Plan Administrator for distribution to creditors entitled to receive the proceeds of Litigation Proceeds and Illiquid Recovery Rights under the Plan.

4. The Litigation Administrators file this Quarterly Report for the period from October 1, 2025 to December 31, 2025 pursuant to the Litigation Administrator Agreements to provide information to the Post-Effective Date Debtors' creditors and other parties in interest related to:

- (a) the financial statements of the Litigation Recovery Account;
- (b) the various actions taken that may affect the Litigation Recovery Account;
- (c) the progress of liquidating the Post-Emergence Claims (as defined in section 2.1(d) of the Litigation Administrator Agreement) and determining the frequency and quantum of any distributions from the Litigation Recovery Account to holders of Claims;
- (d) payments made to the Litigation Administrator and Litigation Administrator Professionals (as defined in section 2.5 of the Litigation Administrator Agreement); and

- (e) other material information deemed appropriate by the Litigation Administrators.

Financial Update

5. On the Effective Date, the Litigation Recovery Account was funded with \$55 million in cash. Of that amount, \$15 million was reserved to account for the future fixed fees of the Litigation Administrator (ARM) owed under the Litigation Administrator (ARM) Agreement.

6. As of December 31, 2025, the Litigation Recovery Account’s balance was approximately \$123 million. Of the approximately \$312 million in cash recovered during the fourth quarter of 2025 (i.e., the October 1, 2025 through December 31, 2025 period), the majority of the proceeds were derived from the settlement with Tether (as defined below).

7. The changes to the Litigation Recovery Account for the October 1, 2025 through December 31, 2025 period are set forth below:

(\$000s)		Q4 2025	Inception to Date
Opening Cash Balance	<i>[A]</i>	\$116,753	\$55,000
Receipts			
Litigation Proceeds	<i>[B]</i>	\$3,669	\$174,000
Asset Proceeds	<i>[C]</i>	305,382	539,512
Interest Income		\$2,637	13,191
Total Receipts		\$311,689	\$726,703
Disbursements			
Litigation Administrators	<i>[D]</i>	(\$1,325)	(\$21,119)
Litigation Oversight Committee	<i>[E]</i>	(8,083)	(19,082)
Professional Fees	<i>[F]</i>	(38,340)	(170,550)
Other Operating Expenses	<i>[G]</i>	(252)	(359)
Total Disbursements		(\$48,000)	(\$211,110)
Net Change in Cash		\$263,689	\$515,592
Transfer for Distribution	<i>[H]</i>	(\$257,056)	(\$447,207)
Ending Cash Balance		\$123,385	\$123,385

Notes to Financial Statements:

- A. The Litigation Recovery Account was funded with \$55 million on January 31, 2024. Of that amount, \$15 million was budgeted to account for the future fixed fees of the Litigation Administrator (ARM) owed under the Litigation Administrator (ARM) Agreement.
- B. Receipts reflect actual cash received into the Litigation Recovery Account via payments from settling parties or amounts such settling parties authorized the Litigation Administrator to set off against the cash or Liquid Cryptocurrency

recoveries to which such settling parties would have otherwise been entitled to receive under the Plan.

- C. Asset liquidation proceeds received during the fourth quarter of 2025 primarily include amounts received from the settlements with Tether and Three Arrows Capital.
- D. The expenses in this line item consist of fees paid to the Litigation Administrators pursuant to the Litigation Administrator Agreements filed as part of the *Eleventh Notice of Filing of Plan Supplement* [Dkt. No. 4297].
- E. The expenses in this line item consist of compensation and reimbursement of reasonable and documented out of pocket expenses paid to Litigation Oversight Committee members.
- F. The expenses in this line item consist of payments to professionals retained by or on behalf of the Litigation Oversight Committee or the Litigation Administrators on account of services rendered for, among other things, investigating claims and causes of action, preparing and prosecuting post-effective date litigation, and performing duties under the Plan. This also includes direct pass-through expenses such as court filing fees, data hosting, and other operational expenses required to administer the estates.
- G. Other operating expenses consist of bank fees and other administrative costs.
- H. In the fourth quarter of 2025, approximately \$257.1 million of the Litigation Recovery Account was transferred to the Plan Administrator for distribution to creditors eligible to receive the proceeds of Litigation Proceeds and Illiquid Recovery Rights under the Plan. Of this amount, approximately \$236.5 million was allocated for distribution to liquidated and allowed claims, while approximately \$20.6 million is held in the claims reserve in accordance with the Plan.

Significant Updates

I. Administrative Updates

8. Since the Effective Date, the Litigation Oversight Committee has met regularly to review the actions of the Litigation Administrators and their counsel. These meetings have included in-person sessions to perform deep-dive reviews on potential and pending actions, financial forecasts, and other matters. In addition to regularly scheduled Litigation Oversight Committee meetings, there were a series of meetings, consultations, and review of prepared analyses in connection with determining the appropriate amount and timing of future distribution

of proceeds to eligible creditors under the Plan and the appropriate amount of necessary cash reserves for estimated litigation costs and other disputed claims.

II. Avoidance Actions

9. Since March 2024, the Litigation Oversight Committee and the Litigation Administrator have engaged in efforts to recover transfers subject to avoidance under chapter 5 of the Bankruptcy Code that were not released under the Plan and were preserved for the benefit of creditors.⁴ By July 15, 2024, the Litigation Administrator filed nearly 2,500 complaints against parties that failed to settle under the Preference Litigation Settlement Program, seeking the return of assets worth more than \$2 billion (valued as of June 14, 2024).⁵

10. While actively engaging with defendants and reaching consensual resolutions, the Litigation Administrator and his advisors have concurrently focused on proceeding with the preference litigation. *See Order Granting Revised Motion for an Order Establishing Streamlined Procedures Governing Avoidance Actions Pursuant to Sections 502, 547, and 550 of the Bankruptcy Code*, Adv. Proc. No. 24-04024 (MG) (Bankr. S.D.N.Y. Sept. 6, 2024), Dkt. No. 36, Ex. 2 at 1-2 (the “**Procedures Order**”).

11. During the fourth quarter of 2025, the Litigation Administrator engaged in discovery in connection with “phase two” of the preference litigation. *See Procedures Order*, Ex. 2 at 2-3. The fact depositions in connection with “phase two” of the preference litigation will take

⁴ The initial phase of the Litigation Administrator’s efforts focused on reaching settlements with account holders before the commencement of litigation. To that end, the Litigation Administrator launched a settlement program (the “**Preference Litigation Settlement Program**”) in March 2024. The Litigation Administrator’s pre-litigation settlement deadline was extended multiple times to provide parties with additional time to respond, accommodating additional settlements. *See, e.g., Amended Notice of Deadline to Accept Settlement Offer in Connection with Celsius Customer Preference Actions*, Adv. Proc. No. 24-04024 (MG) (Bankr. S.D.N.Y. Sept. 6, 2024) [Dkt. No. 27].

⁵ Since filing the complaints, the Litigation Administrator has resolved more than 1,500 Avoidance Actions to date.

place during the first and second quarters of 2026. *See Order Amending Phase Two Scheduling Order*, Adv. Proc. No. 24-04024 (MG) (Bankr. S.D.N.Y. Jan. 15, 2026), Dkt. No. 140, Ex. 1 at 1.

12. On September 4, 2025, certain defendants filed a motion to withdraw the bankruptcy reference, which would determine whether certain aspects of the preference litigation would remain with the Bankruptcy Court or would be determined by the District Court. *See Defendants' Motion to Withdraw the Reference to the Bankruptcy Court*, Case No. 25-07328 (S.D.N.Y. Sept. 4, 2025), Dkt. No. 1. Following briefing and oral argument, on December 9, 2025, the District Court entered an opinion and order denying the defendants' motion to withdraw the reference.

13. Furthermore, on August 22, 2025, the Court requested briefing and argument regarding damages issues in conjunction with the default judgments against certain defendants in *Meghji v. Mashinsky*, Adv. Proc. No. 24-03667 (MG) (Bankr. S.D.N.Y.), given that the Bankruptcy Court will likely be asked to adopt consistent damages rules in the retail customer avoidance actions. *Order Requesting Briefing Schedule*, Adv. Proc. No. 24-04024 (MG) (Bankr. S.D.N.Y. Aug. 22, 2025), Dkt. No. 85. During the fourth quarter of 2025, the Litigation Administrator and certain defendants submitted briefs to the Bankruptcy Court regarding the damages issues. *See Order Establishing Briefing Schedule and Procedures Regarding Damages in Connection with Avoidance Actions*, Adv. Proc. No. 24-04024 (MG) (Bankr. S.D.N.Y. Oct. 7, 2025), Dkt. No. 113. Briefing regarding the damages issues is now completed and the parties are awaiting a hearing date and decision.

III. Other Litigation Matters

14. *Claim Objections*. The Litigation Administrator is tasked with resolving and administering claims against the Debtors. During the fourth quarter of 2025, the Litigation Administrator prepared and filed an additional two omnibus objections to claims, including the

twentieth [Dkt. No. 8257] and the twenty-first [Dkt. No. 8258] omnibus objections to certain proofs of claim, which were both sustained by the Court in December 2025 [Dkt. Nos. 8288, 8289]. In the aggregate, these two objections include a total of 492 claims with an aggregate asserted claim value exceeding \$4 million. Additionally, in October 2025, the Court entered a stipulation and agreed order authorizing the withdrawal of the claims filed by law firm Cadwalader, Wickersham & Taft LLP [Dkt. No. 8231].

15. ***Claims Against Insiders and Former Employees.*** The Litigation Administrator has brought claims against certain insiders and former employees of Celsius styled *Meghji v. Mashinsky, et al.*, Adv. Pro. 24-03667 (MG) (Bankr. S.D.N.Y. July 10, 2024). The parties negotiated an amended discovery schedule, which was entered by the Bankruptcy Court on December 16, 2025. The parties have exchanged and responded to reciprocal discovery requests, made document productions, negotiated to resolve various discovery disputes, and scheduled and prepared for depositions scheduled in the first quarter of 2026. Deponents include both the defendants in the insider litigation as well as third parties expected to have relevant, non-cumulative information about the Litigation Administrator's claims. The parties also sought leave from the Bankruptcy Court to depose both Alexander Mashinsky during his incarceration and Roni Cohen-Pavon in Israel pursuant to procedures outlined by the Hague Convention on the Taking of Evidence Abroad in Civil or Commercial Matters, both of which the Bankruptcy Court authorized in its December 16, 2025 order. To ensure efficiency, the Litigation Administrator is coordinating depositions in the insider litigation and the preference litigation to the extent the deponents for both litigations overlap.

16. Furthermore, on November 18, 2025, the District Court rejected defendant Jeremie Beaudry's motion to withdraw the bankruptcy reference of the claims asserted against him by the Litigation Administrator.

17. **KeyFi.** Pursuant to the settlement agreement dated June 28, 2024, the KeyFi Defendants transferred to Celsius certain assets traceable to Celsius that were in the KeyFi Defendants' control, including a portfolio of non-fungible tokens (NFTs) and other cryptocurrency. *See Stipulated Settlement Agreement and Order, Celsius Network Limited v. Stone*, Adv. Proc. No. 22-01139 (MG) (Bankr. S.D.N.Y. July 11, 2024) [Dkt. No. 145].

18. On or around July 12 and July 13, 2024, the Litigation Administrator filed 12 additional complaints against more than 70 parties, as well as John Does, to whom the KeyFi Defendants transferred Celsius assets and/or by whom Celsius was otherwise injured. *See, e.g.,* Compl., *Meghji v. Castel*, Adv. Proc. No. 24-04004 (MG) (Bankr. S.D.N.Y. July 13, 2024) [Dkt. No. 1]; Compl., *Meghji v. Wallet Owner 0X10F546A6F4D20D91E5A8506124384759C9F4BC79, et.al.*, Adv. Proc. No. 24-03994 (MG) (Bankr. S.D.N.Y. July 12, 2024) [Dkt. No. 1]; Compl., *Meghji v. Wallet Owner 0xdbc13e67f678cc00591920cece4dca6322a79ac7, et al.*, Adv. Proc. No. 24-04005 (MG) (Bankr. S.D.N.Y. July 13, 2024) [Dkt. No. 1]; Compl., *Meghji v. John Does 1-100*, Adv. Proc. No. 24-04009 (MG) (Bankr. S.D.N.Y. July 15, 2024) [Dkt. No. 1]; Compl., *Meghji v. Compound Labs, Inc.*, Adv. Proc. No. 24-03989 (MG) (Bankr. S.D.N.Y. July 12, 2024) [Dkt. No. 1]. The Litigation Administrator has effectuated service for all known domestic defendants and several defendants located abroad. *See* Order Prescribing Answer Deadline Pursuant to Federal Rule of Bankruptcy Procedure 7012, *Meghji v. Falba*, Adv. Proc. No. 24-04006 (MG) (Bankr. S.D.N.Y. Sept. 11, 2024) [Dkt. No. 9]; *Meghji v. Falba*, Adv. Proc. No. 24-04006 (MG) (Bankr. S.D.N.Y. Apr. 14, 2025) [Dkt. No. 35]. To facilitate service on other defendants, the

Litigation Administrator has served Rule 45 subpoenas on nine cryptocurrency exchanges and one law firm pursuant to a court order authorizing early discovery to obtain identifying information for certain defendants. *See Order, Meghji v. Falba*, Adv. Proc. No. 24-04006 (MG) (Bankr. S.D.N.Y. Oct. 2, 2024) [Dkt. No. 11]; *see also Order, Meghji v. Castel*, Adv. Proc. No. 24-04004 (MG) (Bankr. S.D.N.Y. Mar. 12, 2025) [Dkt. No. 69]. Law Firm Zuber Lawler LLP filed a motion to quash a subpoena served by the Litigation Administrator, which was opposed by the Litigation Administrator. The motion to quash was denied by the Court. *See Mem. Op. and Order, In re Celsius Network LLC*, Case No. 22-10964 (MG) (Bankr. S.D.N.Y. May 9, 2025) [Dkt. No. 8111]. Further, the Litigation Administrator successfully brought a motion for alternative service that allowed the Litigation Administrator to effect service on certain unknown wallet defendants via NFT and website posting. *See Mem. Op. and Order, Meghji v. Castel*, Adv. Proc. No. 24-04004 (MG) (Bankr. S.D.N.Y. Oct. 24, 2024) [Dkt. No. 35]. Service was completed for those defendants and, after none of the wallet defendants answered, the Litigation Administrator has obtained certificates of default from the clerk. *See Clerk's Entries of Default, Meghji v. Wallet Owner 0xdbc13e67f678cc00591920cece4dca6322a79ac7, et al.*, Adv. Proc. No. 24-04005 (MG) (Bankr. S.D.N.Y. Mar. 25, 2025) [Dkt. Nos. 34-55]; *Meghji v. Wallet Owner 0X10F546A6F4D20D91E5A8506124384759C9F4BC79, et al.*, Adv. Proc. No. 24-03994 (MG) (Bankr. S.D.N.Y. Mar. 25, 2025) [Dkt. Nos. 32-48]; *Meghji v. Castel*, Adv. Proc. No. 24-04004 (MG) (Bankr. S.D.N.Y. Mar. 10, 2025) [Dkt. Nos. 64-66]. Additionally, the Litigation Administrator sought and obtained a certificate of default from the Clerk against the Compound DAO after it failed to appear. *Meghji v. Compound Labs, Inc.*, Adv. Proc. No. 24-03989 (MG) (Bankr. S.D.N.Y. Mar. 24, 2025) [Dkt. No. 48]. The Litigation Administrator's efforts have

produced several resolutions to date. The Litigation Administrator anticipates other resolutions to follow.

19. Several defendants, including Compound Labs, Inc. (“**Compound**”), Robert Leshner (“**Leshner**”), Geoffrey Hays (“**Hays**”) (Compound, Leshner, and Hays, collectively, the “**Compound Defendants**”), Curated, Lukasz Krol, Dennis Reichelt, Dragos Ilie, and Guy Benartzi filed motions to dismiss. *See* Mot. to Dismiss, *Meghji v. Castel*, Adv. Proc. No. 24-04004 (MG) (Bankr. S.D.N.Y. Oct. 4, 2024) [Dkt. No. 26]; Mot. to Dismiss, *Meghji v. Compound Labs, Inc.*, Adv. Proc. No. 24-03989 (MG) (Bankr. S.D.N.Y. Dec. 20, 2024) [Dkt. No. 32]; Mot. to Dismiss, *Meghji v. Falba, et al.*, Adv. Proc. No. 24-04006 (MG) (Bankr. S.D.N.Y. Feb. 24, 2025, Mar. 10, 2025) [Dkt. Nos. 26, 31]; Mot. to Dismiss, *Meghji v. Benartzi*, Adv. Proc. No. 24-03992 (MG) (Bankr. S.D.N.Y. Nov. 14, 2025) [Dkt. No. 29]. The motions to dismiss for Curated, Krol, and Reichelt have all been denied, while the decisions for the Compound Defendants and Guy Benartzi remain pending. *See* Mem. Op. & Ord., *Meghji v. Castel*, Adv. Proc. No. 24-04004 (MG) (Bankr. S.D.N.Y. Apr. 8, 2025) [Dkt. No. 73].

20. Additionally, defendant Emil Bailey filed counterclaims against the Litigation Administrator. The Litigation Administrator filed a motion to dismiss those claims in their entirety with prejudice, which the Court granted. *Meghji v. Emil Bailey*, Adv. Proc. No. 24-03988 (MG) (Bankr. S.D.N.Y. May 15, 2025) [Dkt. No. 36]. The Court also denied Emil Bailey’s motion for reconsideration. *Id.* at Dkt. No. 48. Bailey then sought leave to pursue an interlocutory appeal with the Southern District of New York, which was also denied. *Id.* at Dkt. No. 57; *In re Celsius*, Case No. 1:25-cv-06043-AKH, (S.D.N.Y. Aug. 25, 2025) [Dkt. No. 6]. Celsius and Bailey agreed to conduct non-binding mediation in December, but the parties failed to reach a settlement during the mediation.

21. The Compound Defendants also filed a motion in the District Court for the Southern District of New York to withdraw the bankruptcy reference, which was granted by the District Court on grounds that Celsius's amended complaint involves novel applications of securities laws to digital tokens issued by DeFi platforms. Op. & Ord., *Meghji v. Compound Labs, Inc.*, Civil No. 25-00926 (JLR) (S.D.N.Y. Apr. 8, 2025) [Dkt. No. 13]. The Compound Defendants' motion to dismiss remains pending before the District Court. Oral argument on the motion to dismiss is set for February 12, 2026. *Meghji v. Compound Labs, Inc.*, Case No. 25-cv-00926-JLR (S.D.N.Y) [Dkt. No. 45].

22. Defendant Guy Benartzi also made a motion to dismiss Celsius's complaint, and Celsius then filed an amended complaint, which Benartzi again moved to dismiss. *Meghji v. Guy Benartzi*, Adv. Proc. No. 24-03992 (MG) (Bankr. S.D.N.Y. Oct. 17, 2025) [Dkt. No. 25]. The motion to dismiss is pending.

23. Additionally, the Litigation Administrator has continued to work on monetizing the NFTs that were recovered as part of the settlement with the KeyFi Defendants.

24. **BadgerDAO.** On July 12, 2024, Celsius initiated an adversary proceeding against Christopher Spadafora and Cloudflare, Inc. See *Celsius Network LLC v. Spadafora*, Adv. Proc. No. 24-03981 (MG) (Bankr. S.D.N.Y. July 12, 2024) [Dkt. No. 1]. The case arises from a security breach on the BadgerDAO platform, which was founded by Christopher Spadafora and used security systems maintained by Cloudflare. The breach led to a loss of approximately 900 Bitcoin. Both defendants filed motions to dismiss, which Celsius opposed. On April 28, 2025, the Court denied Christopher Spadafora's motion to dismiss. *Id.* at Dkt. No. 24. On May 6, 2025, the Court denied Cloudflare's motion to dismiss [*id.* at Dkt. No. 26], and on June 25, 2025, District Court for the Southern District of New York denied Cloudflare's appeal of the Court's denial of the

motion to dismiss. *See* Order, *Cloudflare v. Meghji*, Civil No. 25-4444 (LAK) (S.D.N.Y. May 28, 2025) [Dkt. No. 5].

25. Cloudflare and Spadafora subsequently filed counterclaims against the Litigation Administrator seeking indemnification for any losses as a result of Celsius's prior relationship with BadgerDAO. The Litigation Administrator moved to dismiss the counterclaims filed by Cloudflare on September 17, 2025, the crossclaim filed by Spadafora on October 27, 2025, and the Court has yet to issue a ruling.

26. ***Into the Block***. On July 15, 2024, Celsius initiated an adversary proceeding against Into the Block Corp. ("**ITB**"). *See Celsius Network LLC v. Into the Block Corp.*, Adv. Proc. No. 24-04008 (MG) (Bankr. S.D.N.Y. July 15, 2024) [Dkt. No. 1]. The case arose from more than \$3 million in losses that Celsius suffered as a result from ITB's deployment of Celsius assets in a DeFi platform. ITB filed a motion to dismiss. *Id.* at Dkt. No. 12. Celsius subsequently amended its complaint and ITB again filed a motion to dismiss, which Celsius opposed. *Id.* at Dkt. No. 28. On March 10, 2025, in a memorandum opinion and order, the Court sustained Celsius's breach of contract claim and granted ITB's motion to dismiss on other counts. The parties agreed to conduct non-binding mediation, which took place on September 15, 2025, and have since settled the matter.

IV. ARM Litigation and Claims

A. Litigation

27. ***Mawson Infrastructure Group***. On November 21, 2023, Celsius Mining LLC ("**Celsius Mining**") initiated an adversary proceeding against Mawson Infrastructure Group, Inc. ("**Mawson**") and two of its subsidiaries, Luna Squares LLC ("**Luna**") and Cosmos Infrastructure LLC ("**Cosmos**" and, together with Luna and Mawson, the "**Mawson Parties**"), in connection with the Mawson Parties' breaches under (i) that certain co-location agreement (the "**Co-Location Agreement**") Luna executed with Celsius Mining, (ii) that certain secured promissory note Luna

issued to Celsius Mining (later assigned to Celsius Network Limited) (the “**Note**”), and (iii) that guaranty and security agreement Mawson and Cosmos issued to Celsius Mining (later assigned to Celsius Network Limited) (the “**Guaranty**”). *See Celsius Mining LLC v. Mawson Infrastructure Grp. Inc.*, Adv. Proc. No. 23-01202 (MG) (Bankr. S.D.N.Y. Nov. 21, 2023) [Dkt. No. 1]. On April 22, 2024, the District Court for the Southern District of New York vacated the Bankruptcy Court’s order denying Mawson’s motion to compel arbitration of the disputes in the adversary proceeding. *See* Dkt. No. 4827. Consequently, the parties are engaging in arbitration after Celsius Mining and Celsius Network Limited filed a joint arbitration demand with Ionic on July 12, 2024.⁶ Nevertheless, such action is otherwise stayed pending the resolution of the arbitration.

28. In the arbitration, on January 23, 2025, the arbitrator granted a motion for dispositive relief against Luna and entered a partial final award on the Note, entitling Celsius Network Limited to \$8,144,000 plus pre- and post-award interest, along with attorneys’ fees, costs, and expenses related to enforcement of the Note. On February 27, 2025, the arbitrator entered another partial final award against Luna entitling Celsius Network Limited to \$641,000 in attorneys’ fees, costs, and expenses pursuant to the January 23 partial final award. On April 14, 2025, the arbitrator granted a motion for dispositive relief against Mawson and entered a partial final award on the Guaranty, entitling Celsius Network Limited to collect from Mawson the money owed by Luna under the Note, along with post-award interest and attorneys’ fees, costs, and expenses related to enforcement of the Guaranty.

29. On October 7, 2025, Celsius Network Limited filed a petition to confirm the partial final arbitration awards in the District Court for the Southern District of New York. *See Celsius Network Ltd. v. Mawson Infrastructure Grp. Inc.*, 25-cv-08302 (S.D.N.Y. Oct. 7, 2025). On

⁶ In conjunction with that filing, the ARM amended the adversary complaint to include additional claims.

November 7, 2025, Celsius Network Limited entered into a joint stipulation and agreed request for entry of a final judgment confirming the three partial final awards on the Note and Guaranty. On November 10, 2025, the District Court for the Southern District of New York “so ordered” the joint stipulation and entered a final judgment confirming the awards. To date, neither Luna nor Mawson have paid any amounts in connection with the final judgment. The ARM will continue to pursue payment of the final judgment and the related awards under the Note, the Guaranty, and associated documents.

30. *Equities First Holdings*. On September 6, 2023, Celsius Network Limited (“CNL”) initiated an adversary proceeding (the “**EFH Proceeding**”) against Equities First Holdings, LLC (“**EFH**”) and its founder and CEO, Alexander Christy, alleging breach of contract, fraudulent transfer, and other claims in connection with EFH’s failure to return the Post-Effective Date Debtors’ collateral under a series of loan agreements between the parties. *See Celsius Network Limited v. Equities First Holdings, LLC*, Adv. Proc. No. 23-01167 (MG) (Bankr. S.D.N.Y. Sept. 6, 2023) [Dkt. No. 1]. The EFH Proceeding has been stayed since November 14, 2023, pending EFH’s motion to compel arbitration on all claims brought by CNL and appeal of the Bankruptcy Court’s October 24, 2023 order requiring it to respond to the complaint. *Id.* at Dkt. No. 60. To move this matter forward, on July 12, 2024, the ARM served an arbitration demand on EFH and Mr. Christy, alleging the same claims asserted in the EFH Proceeding. Before the District Court, and while the appeal remained pending, CNL, the ARM, EFH, and Mr. Christy stipulated and agreed that the motion to compel arbitration would be granted, that all claims brought by CNL against the defendants in the EFH Proceeding and the arbitration shall be arbitrated in the arbitration, and that the EFH Proceeding shall be stayed pending completion of the arbitration, pursuant to 9 U.S.C. § 3. *See Equities First Holdings, LLC v. Celsius Network Ltd.*,

Civil No. 23-10036 (S.D.N.Y. Nov. 14, 2023) [Dkt. No. 59] ¶ 8. On October 1, 2024, the District Court entered an order pursuant to the parties' stipulation, ordering that the EFH Proceeding be stayed pending completion of the arbitration. *Id.* at Dkt. No. 61. An arbitrator has been appointed in the matter. The parties are currently engaged in discovery. The ARM will continue to prosecute the Post-Effective Date Debtors' claims in the arbitration.

31. ***Tether Limited.*** On August 9, 2024, the ARM, on behalf of CNL and Celsius Network LLC, commenced litigation against Tether Limited and affiliated entities (collectively, "**Tether**") alleging preference, fraudulent transfer, breach-of-contract, and related claims in connection with pre-petition transfers of collateral to Tether and Tether's liquidation of that collateral. *See Celsius Network Ltd. v. Tether Ltd.*, Adv. Proc. No. 24-04018 (MG) (Bankr. S.D.N.Y. Aug. 9, 2024) [Dkt. No. 1]. The ARM filed an amended complaint on December 5, 2024. Tether filed a motion to dismiss on January 17, 2025. On June 30, 2025, the Court issued an order resolving Tether's motion to dismiss, granting the motion without prejudice with respect to one claim and denying it as to the remainder of the claims. The ARM filed a second amended complaint on July 25, 2025. On October 9, 2025, following extensive settlement negotiations, the Post-Effective Date Debtors and Tether executed a settlement agreement that fully resolved the litigation. Pursuant to the settlement agreement, Tether paid \$299.5 million, the Post-Effective Date Debtors dismissed the litigation, and the parties exchanged mutual releases.

32. ***Reliz.*** The ARM, on behalf of the Post-Effective Date Debtors, negotiated and entered into a settlement agreement with Reliz Group Technology Holdings Inc. and its affiliates (collectively, "**Reliz**") in connection with arbitration awards CNL holds against Reliz. The ARM obtained approximately \$3.6 million in immediate funds and two secured promissory notes, representing the balance of the settlement reached by the parties. Both secured promissory notes,

with maturity dates in September 2024 and March 2026, respectively, are accruing interest at 12% per annum, with such interest payable monthly until the notes mature. Through December 31, 2025, payments from Reliz totaled approximately \$16,715,429, which includes a complete repayment of the secured note that matured in September 2024.

33. **Three Arrows Capital.** On June 27, 2022, Three Arrows Capital (“**3AC**”) filed an application in the British Virgin Islands to appoint Russell Crumpler and Christopher Farmer (collectively, the “**Joint Liquidators**”) to administer the liquidation of 3AC. The Post-Effective Date Debtors subsequently asserted a claim against 3AC based on amounts owed under two loans between Celsius and 3AC, entered into in May 2022. The Joint Liquidators initially disputed the claim. On March 25, 2025, following a series of communications and discussions concerning the dispute, the Joint Liquidators and the ARM executed a settlement agreement in resolution of the claim. On October 9, 2025, Celsius received a distribution of \$4,913,617.33, in partial satisfaction of Celsius’s claim.

34. **TerraForm Labs.** The ARM filed a proof of claim in the bankruptcy case *In re TerraForm Labs Pte. Ltd.*, Case No. 24-10070 (BLS) (Bankr. D. Del. Jan. 21, 2024), preserving the rights of the Post-Effective Date Debtors against TerraForm Labs for losses suffered from the use of TerraForm’s exchange. The BRIC, on behalf of the Debtors’ estate, was also a member of the Official Committee of Unsecured Creditors of TerraForm Labs, and now serves as a member of the TerraForm Advisory Board for the post-confirmation wind-down trust. On September 20, 2024, the court confirmed TerraForm Labs’s plan. *Id.* at Dkt. No. 734. On October 18, 2024, the ARM submitted additional materials in support of its claim to the Plan Administrator, who is tasked with handling the allowance or disallowance of such proofs of claim. The ARM timely filed the proof of claim on May 16, 2025 and will continue to pursue recovery.

35. **Rhodium.** The ARM filed a proof of claim in the bankruptcy case *In re Rhodium Encore, LLC*, No. 24-90454 (ARP) (Bankr. S.D. Tex. Aug. 24, 2024) in connection with a Simple Agreement for Future Equity (“SAFE”), in the face amount of \$50 million (the “**Rhodium SAFE Proof of Claim**”). On August 30, 2025, the Bankruptcy Court overruled the debtors’ objection to the Rhodium SAFE Proof of Claim and all other SAFE claims, adopting the ARM’s arguments that SAFE instruments are debt, not equity, and have a liquidation priority ahead of common stock. On December 19, 2025, the Bankruptcy Court confirmed the *Rhodium* plan proposed jointly by the debtors and a SAFE ad hoc group led by the ARM. Pursuant to the *Rhodium* plan, Celsius may receive approximately 98% of the face amount of its claim that was filed in the case for an amount not less than \$50 million on account of losses it incurred in connection with the SAFE, plus up to \$8.5 million reimbursement of fees paid by Celsius to its special counsel, Akin Gump, in the form of a “substantial contribution” award. The *Rhodium* plan went effective on January 14, 2026. It is expected that the *Rhodium* plan administrator will provide an update concerning the timing and amount of distributions to holders of SAFE claims (including Celsius) once the February 13, 2026 deadline for filing administrative expense claims has passed.

36. **Stakehound.** During the Chapter 11 Cases, CNL commenced an adversary proceeding against Stakehound, S.A. (“**Stakehound**”), which provided staking services to CNL prior to the Petition Date. *See Celsius Network Limited v. StakeHound SA*, Adv. Proc. No. 23-01138 (MG) (Bankr. S.D.N.Y. July 11, 2023) [Dkt. No. 1]. CNL sought, among other things, damages for the loss of certain keys required to withdraw approximately 35,000 ETH deposited by CNL on Stakehound’s staking platform (the “**Key Loss Incident**”). Stakehound claims that blockchain security providers Fireblocks Ltd. and Fireblocks, Inc. (together, “**Fireblocks**”) are responsible for the Key Loss Incident and has commenced legal proceedings against Fireblocks in

Israel (the “**Fireblocks Litigation**”). CNL and Stakehound entered into a settlement agreement to resolve their disputes, which was approved by the Bankruptcy Court on December 21, 2023 (the “**Stakehound Settlement**”). *Id.* at Dkt. No. 115. Pursuant to the terms of the Stakehound Settlement, the estates have an interest in recoveries from the Fireblocks Litigation. The Fireblocks Litigation is ongoing, and the ARM continues to work cooperatively with counsel to Stakehound in the pursuit of a recovery from Fireblocks.

37. **Chainalysis**. On March 22, 2025, the ARM, on behalf of Celsius Network LLC and affiliated Post-Effective Date Debtors, commenced a litigation against Chainalysis, Inc. (“**Chainalysis**”), alleging aiding-and-abetting-breach-of-fiduciary-duty claims and violation of various state consumer-protection statutes in connection with Chainalysis’s provision of certain blockchain-auditing services and public statements made in connection therewith. The case was originally commenced as an adversary proceeding in the Bankruptcy Court but is now pending before Judge Garnett of the District Court for the Southern District of New York after the parties consented to withdrawal of the reference. *See Celsius Network LLC v. Chainalysis Inc.*, Civil No. 25-cv-02669 (MMG) (S.D.N.Y. Mar. 31, 2025) [Dkt. No. 1]. Chainalysis filed a motion to dismiss on May 9, 2025, which was fully briefed as of July 23, 2025.

38. **Symbolic Capital Partners Ltd.** On July 13, 2024, the ARM, on behalf of Celsius Network Limited and affiliated Post-Effective Date Debtors, commenced a litigation against Symbolic Capital Partners Ltd. (“**Symbolic**”) alleging preference and related claims in connection with pre-petition transfers of collateral to Symbolic and Symbolic’s liquidation of that collateral. *See Celsius Network Ltd. v. Symbolic Capital Partners Ltd.*, Adv. Proc. No. 24-03997 (MG) (Bankr. S.D.N.Y. July 13, 2024) [Dkt. No. 1]. Symbolic filed a motion to dismiss on February 24, 2025 based on alleged defects in service and an alleged safe harbor defense. On May 5, 2025, the

Bankruptcy Court ordered a deferral of briefing on the safe harbor issue but allowed the motion to dismiss to go forward on the service issue. On June 23, 2025, the Court issued an order denying Symbolic's motion to dismiss with respect to the service issue. On September 26, 2025, the ARM, on behalf of Celsius Network Limited, commenced an arbitration against Symbolic alleging breach of contract relating to Symbolic's liquidation of Celsius's collateral. On October 10, 2025, the parties agreed to stay the preference action pending a resolution of the arbitration proceeding. The ARM will continue to prosecute the Post-Effective Date Debtors' claims in the arbitration and, if recommenced, in the preference action.

39. **Archblock.** On October 17, 2025, the ARM, on behalf of Celsius Network Limited and affiliated Post-Effective Date Debtors, commenced a litigation against Archblock, Inc. ("**Archblock**"), TrustToken, Inc. ("**TrustToken**") and TrueCoin LLC ("**TrueCoin**" and, together with TrustToken and Archblock, the "**Archblock Defendants**") alleging, among other claims, fraud, conversion and negligence for the failure of TrustToken and TrueCoin to return certain foreign currency backing Celsius's holdings of stablecoins issued by TrustToken and TrueCoin ("**TrueCurrency Tokens**"). See *Celsius Network Limited v. Archblock, Inc., et al.*, 25-cv-08966-JD (N.D. Cal. October 17, 2025) [Dkt. No. 1]. The Defendants answered the complaint on November 18, 2025, and the parties have since commenced the discovery process. The ARM will continue to prosecute these claims against the Archblock Defendants and will continue to pursue all other appropriate avenues to recover the foreign currency underlying the TrueCurrency Tokens.

40. **Other Litigation.** The ARM has initiated or is in the process of initiating litigation and arbitration on behalf of the Post-Effective Date Debtors with respect to the ARM Claims, including actions to recover preferences and other avoidable transfers from certain Institutional Loan counterparties. The ARM has actively engaged with Institutional Loan counterparties that

have expressed an interest in pursuing a consensual resolution of the avoidable transfer actions. As of December 31, 2025, the ARM had reached settlements with several Institutional Loan counterparties. The ARM will continue to prosecute the remaining Institutional Loan avoidable transfer actions and will continue to pursue consensual resolutions with Institutional Loan counterparties where appropriate.

B. Monetization of Illiquid and Stranded Assets

41. *Illiquid Cryptocurrencies.* In its work to liquidate certain illiquid assets of the Post-Effective Date Debtors, the ARM has monetized a portfolio of illiquid cryptocurrencies, generating approximately \$12.4 million in proceeds to date. The ARM is also in the process of analyzing millions of stranded wallets and to date has uncovered and monetized certain cryptocurrencies which have generated approximately \$14.9 million in proceeds through December 31, 2025.

42. *Institutional Loans.* The ARM manages digital assets held by the Post-Effective Date Debtors in connection with certain loans to institutional counterparties (the “**Institutional Loans**”). The ARM has called, or is analyzing whether to call, certain Institutional Loans, is analyzing litigation to pursue certain deficiencies owed to the estate, and is engaged in settlement discussions with certain counterparties to the Institutional Loans. The ARM has also been engaged in liquidating certain loan collateral held in connection with the Institutional Loans. As of December 31, 2025, the ARM has monetized approximately \$39 million of the Institutional Loans collateral.

43. *Other Securities.* The ARM has taken over and is managing the Post-Effective Date Debtors’ positions in certain securities and other instruments. To date, the ARM’s management and monetization of a certain portion of those securities have generated approximately \$86.4 million for the benefit of the estate.

Dated: January 30, 2025
New York, New York

Respectfully submitted,

/s/ Mohsin Y. Meghji

Mohsin Y. Meghji
Litigation Administrator

/s/ R Christian Wyatt

R Christian Wyatt
Blockchain Recovery Investment Consortium, LLC
Complex Asset Recovery Manager