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

In re

CELSIUS NETWORK LLC, *et al.*¹

Debtors.

Chapter 11

Case No. 22-10964 (MG)

(Jointly Administered)

**NOTICE OF HEARING OF EXAMINER’S MOTION TO SHORTEN NOTICE
ON MOTION FOR AN ORDER AUTHORIZING
THE EXAMINER TO CONDUCT RULE 2004 EXAMINATIONS**

PLEASE TAKE NOTICE that a hearing on the *Examiner’s Motion to Shorten Notice on Motion for an Order Authorizing the Examiner to Conduct Rule 2004 Examinations* (the “**Notice Motion**”) will be held on October 20, 2022, at 10:00 a.m., prevailing Eastern Time (the “**Hearing**”). In accordance with General Order M-543 dated March 20, 2020, the Hearing will be conducted remotely using Zoom for Government. Parties wishing to appear at the Hearing, whether making a “live” or “listen only” appearance before the Court, need to make an electronic

¹ The Debtors in these chapter 11 cases, along with the last four digits of each 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); and Celsius US Holding LLC (7956). The location of Debtor Celsius Network LLC’s principal place of business and the Debtors’ service address in these chapter 11 cases is 121 River Street, PH05, Hoboken, New Jersey 07030.

appearance through the Court's website at <https://ecf.nysb.uscourts.gov/cgi-bin/nysbAppearances.pl>.

PLEASE TAKE FURTHER NOTICE that any responses or objections to the relief requested in the Notice Motion shall: (a) be in writing; (b) conform to the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules for the Southern District of New York, all General Orders applicable to chapter 11 cases in the United States Bankruptcy Court for the Southern District of New York, and the *Order (I) Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals and (II) Granting Related Relief* [Dkt. 521]; (c) be filed electronically with the Court on the docket of In re Celsius Network LLC, No. 22-10964 (MG) by registered users of the Court's electronic filing system and in accordance with all General Orders applicable to chapter 11 cases in the United States Bankruptcy Court for the Southern District of New York (which are available on the Court's website at <http://www.nysb.uscourts.gov>); and (d) be served so as to be actually received by October 17, 2022, at 4:00 p.m., prevailing Eastern Time, by (i) the entities on the Master Service List available on the case website of the above-captioned debtors and debtors in possession (the "**Debtors**") at <https://cases.stretto.com/celsius>, and (ii) any person or entity with a particularized interest in the subject matter of the Notice Motion.

PLEASE TAKE FURTHER NOTICE that only those responses or objections that are timely filed, served, and received will be considered at the Hearing. Failure to file a timely objection may result in entry of a final order granting the Notice Motion as requested by the Examiner.

PLEASE TAKE FURTHER NOTICE that copies of the Notice Motion and other pleadings filed in these chapter 11 cases may be obtained free of charge by visiting the website of Stretto at <https://cases.stretto.com/celsius>. You may also obtain copies of the Notice Motion

and other pleadings filed in these chapter 11 cases by visiting the Court's website at
<http://www.nysb.uscourts.gov> in accordance with the procedures and fees set forth therein.

Dated: October 10, 2022

Respectfully submitted,

JENNER & BLOCK LLP

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

In re

CELSIUS NETWORK LLC, *et al.*¹

Debtors.

Chapter 11

Case No. 22-10964 (MG)

(Jointly Administered)

**EXAMINER’S MOTION FOR AN ORDER TO SHORTEN NOTICE OF MOTION
AUTHORIZING THE EXAMINER TO CONDUCT 2004 EXAMINATIONS**

TO THE HONORABLE MARTIN GLENN:

Shoba Pillay, the Examiner in these chapter 11 cases, by her proposed undersigned counsel, moves for an order, substantially in the form attached as **Exhibit A**, pursuant to 11 U.S.C. §§105(a), 1106(a)(3)-(4) & (b), 1109(b), Fed. R. Bankr. P. 9006 and the *Final Order (I) Establishing Certain Notice, Case Management, and Administrative Procedures and (II) Granting Related Relief* [Dkt. 528] (the “**Case Management Order**”), authorizing the Examiner to present the *Examiner’s Motion for an Order Authorizing the Examiner to Conduct Rule 2004 Examinations* [Dkt. 963] (the “**Rule 2004 Motion**”) on shortened notice so that it may be heard

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at the October 20, 2022 hearing. In support of this Motion, the Examiner respectfully states and represents as follows:

Jurisdiction, Venue and Authority

1. This Court has jurisdiction over this matter under 28 U.S.C. § 1334(b). Venue is proper under 28 U.S.C. § 1409. This matter is a core proceeding under 28 U.S.C. § 157(b)(2) and the Examiner consents to the Court entering a final order on this Motion.

2. The statutory predicates for the relief requested in the Motion are sections 105 and 1106 of the Bankruptcy Code, and Rule 9006 of the Federal Rules of Bankruptcy Procedure.

3. This Motion is made pursuant to the Case Management Order, which provides that a party may seek relief from this Court on an expedited basis.

Background

4. On September 14, 2022, the Court issued the Examiner Order, directing the appointment of an Examiner under section 1104(c) to investigate:

- i. the Debtors' cryptocurrency holdings, including a determination as to where the Debtors' cryptocurrency holdings were stored prepetition and are stored postpetition and whether different types of accounts are commingled;
- ii. why there was a change in account offerings beginning in April 2022 from the Earn Program to the Custody Service for some customers while others were placed in a "Withhold Account";
- iii. the Debtors' procedures for paying sales taxes, use taxes, and value added taxes and the extent of the Debtors' compliance with any non-bankruptcy laws with respect thereto;
- iv. the current status of the utility obligations of the Debtors' mining business; and
- v. otherwise perform the duties of an examiner set forth in §§ 1106(a)(3) and 1106(a)(4) of the Bankruptcy Code.

[Examiner Order at ¶ 3.]

(3390); and Celsius US Holding LLC (7956). The location of Debtor Celsius Network LLC's principal place of business and the Debtors' service address in these chapter 11 cases is 121 River Street, PH05, Hoboken, New Jersey

5. On September 29, 2022, the United States Trustee appointed Shoba Pillay as Examiner and filed the Notice of the appointment as well as the Examiner Application. [Dkt. 920, 921.] That same day, this Court entered an order approving the appointment. [Dkt. 923.]

6. On October 3, 2022, the Examiner filed the Rule 2004 Motion. The Rule 2004 Motion is currently set for hearing on November 1, 2022.

Relief Requested

7. By this Motion, the Examiner seeks entry of an Order, in substantially the form attached as **Exhibit A**, authorizing the Examiner to present the Rule 2004 Motion at the previously scheduled October 20, 2022 omnibus hearing.

8. In the Rule 2004 Motion, the Examiner asked for authority to issue subpoenas to compel document production and oral examinations under Bankruptcy Rule 2004. Since the filing of the Rule 2004 Motion, a stipulated order has now been order providing that the Examiner will issuing an interim report on issue 1 (location and potential commingling of the Debtors' crypto assets) and issue 2 (the April 2022 transition to custody and withhold programs) on or before November 17, 2022 (or later depending on when the *Revised Proposed Joint Stipulation and Agreed Scheduling Order By and Among the Debtors, the Committee, and the Ad Hoc Groups with Respect to the Custody and Withhold Issues* is entered).

9. Given the current timeline, it is imperative that the Examiner be granted the requested Rule 2004 authority in short order in the event formal discovery is necessary. Consequently, the Examiner is requesting that the Court consider the Rule 2004 Motion at the next scheduled omnibus hearing, which is currently set for October 20, 2022 so that the Examiner may, if necessary, conduct formal discovery as quickly as any need may arise.

10. The Debtors, the Official Committee of Unsecured Creditors and the United States Trustee have all been informed of the Examiner's request for shortened notice and have no objection to the requested relief.

Notice

11. Notice of this Motion has been provided to: (a) the Debtors; (b) the Office of the U.S. Trustee; (c) the Official Committee of Unsecured Creditors; (d) the holders of the 50 largest unsecured claims against Debtors (on a consolidated basis); (e) the United States Attorney for the Southern District of New York; (f) the Internal Revenue Service; (g) the officers of the attorneys general in the states in which the Debtors operate; (h) the Securities and Exchange Commission; and (i) to the extent not listed herein, those parties requesting notice pursuant to Bankruptcy Rule 2002. A copy of this Motion is also available on the website of the Debtors' notice and claims agent at <https://cases.stretto.com/celsius>. The Examiner submits that, in light of the nature of the relief requested, no other or further notice need be given.

Conclusion

12. The Examiner respectfully requests that this Court grant the relief requested in this Motion and enter an Order substantially in the form attached as **Exhibit A**.

[Signature page follows]

Dated: October 10, 2022

Respectfully submitted,

JENNER & BLOCK LLP

By: /s/ Vincent E. Lazar

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Proposed Counsel to the Examiner

EXHIBIT A

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

In re

CELSIUS NETWORK LLC, *et al.*

Debtors.

Chapter 11

Case No. 22-10964 (MG)

(Jointly Administered)

**ORDER GRANTING EXAMINER'S MOTION TO SHORTEN NOTICE OF MOTION
AUTHORIZING EXAMINER TO CONDUCT 2004 EXAMINATIONS**

Upon the Examiner's Motion to Shorten Notice on Motion for an Order Authorizing the Examiner to Conduct 2004 Examinations (the "**Motion**"¹); the Court finding that the notice of the Motion is good and sufficient under the circumstances; the Court having reviewed the Motion and finding good cause to grant the Motion, it is ORDERED:

1. The Motion is granted to the extent provided herein.
2. The Examiner may present the Rule 2004 Motion for hearing, on shortened notice at the October 20, 2022 hearing.
3. This Court shall retain jurisdiction to resolve any disputes arising or related to this Order including any discovery disputes that may arise between or among the parties and to interpret, implement, and enforce the provisions of this Order.

October __, 2022

The Honorable Martin Glenn
United States Bankruptcy Judge

¹ Capitalized terms that are not otherwise defined herein are intended to have the same meaning attributed to them in the Motion.