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20 HashFast Technologies LLC and HashFast LLC

21 **UNITED STATES BANKRUPTCY COURT**
22 **NORTHERN DISTRICT OF CALIFORNIA**
23 **SAN FRANCISCO DIVISION**

24 In re:) Case No. 14-30725
25)
26 HASHFAST TECHNOLOGIES LLC, a) (Jointly Administered with HashFast LLC,
27 California limited liability company,) Case No. 14-30866):
28 Debtor and Debtor-In-Possession) Chapter 11
29)
30) Hearing:
31) Date: September 10, 2014
32) Time: 9:30 a.m.
33) Ctrm: Hon. Dennis Montali
34) 235 Pine Street, Courtroom 22
35) San Francisco, CA 94104

36 Affects HASHFAST LLC, a Delaware)
37 limited liability company,)
38 Debtor and Debtor-In-Possession)
39)
40) **DECLARATION OF PETER KRAVITZ IN**
41) **SUPPORT OF DEBTORS' OPPOSITION**
42) **TO UNITED STATES TRUSTEE'S**
43) **MOTION TO APPOINT CHAPTER 11**
44) **TRUSTEE UNDER 11 U.S.C § 1104(A),**
45) **AND IN THE ALTERNATIVE TO**
46) **CONVERT CASE TO CHAPTER 7**
47) **UNDER 11 U.S.C. § 1112(B)**

48 I, Peter Kravitz, hereby declare under penalty of perjury,

1 1. I am the Chief Restructuring Officer (“CRO”) of HashFast Technologies LLC
2 (“HashFast Technologies”) and HashFast LLC (“HashFast” and, together with HashFast
3 Technologies, the “Debtors”).

4 2. This Declaration is submitted in connection with the Debtors’ Opposition to United
5 States Trustee’s Motion to Appoint Chapter 11 Trustee under 11 U.S.C § 1104(a), and in the
6 Alternative to Convert Case to Chapter 7 Under 11 U.S.C. § 1112(b) (“Opposition”). I make this
7 declaration based on my own personal knowledge of the facts. If called upon, I would testify as
8 set forth herein.

9 3. I was retained as the Debtors’ CRO on August 15, 2014. Upon my retention, I
10 learned that nearly all of the Debtors’ employees had resigned. The only remaining employees
11 were Simon Barber and Eduardo de Castro. Mr. Barber, among other day-to-day duties, generally
12 maintains the Debtors’ intellectual property, while Mr. de Castro manages sales and marketing.
13 Both report to me.

14 4. I further learned that the cash resources of the Debtors were very low, and that the
15 Debtors’ pipeline of sales and orders had dried up substantially.

16 5. Since I have arrived at the Debtors, I have taken many steps to ensure that the value
17 of the Debtors’ assets are preserved, including the following:

- 18 a. Changing all bank account access and signature cards to my exclusive
19 control;
- 20 b. Taking control of the Debtors’ books and records, including their financial
21 records, QuickBooks, bitcoin wallets, and all relevant passwords;
- 22 c. Meeting with a potential purchaser regarding its interests in submitting a bid
23 to purchase substantially all of the Debtors’ inventory assets; and
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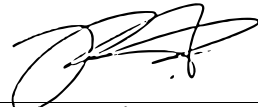
d. Repairing their short-term cash needs and securing orders that I believe will lead to sales of inventory exceeding \$1.2 million – nearly doubling all net revenue generated year to date – including orders from each portion of the supply chain including silicon wafers, tested chips, PCBs, and PC, long lead, and miscellaneous assembly parts. The inventory sold at prices in line with price guidance provided months earlier due to customer reassurance by my presence.

6. A portion of the sale proceeds generated since my arrival will enable the Debtors to enact its strategy for maximizing remaining inventory value.

7. In addition, I have met with Simon Barber about further opportunities available to the Debtors to maximize the value of the Debtors’ intellectual property.

I declare under penalty of perjury that the forgoing is true and correct.

Dated: August 27, 2014



Peter Kravitz
Chief Restructuring Officer of HashFast
Technologies LLC and HashFast LLC