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11 [Proposed] Counsel for Debtor
12 HashFast Technologies LLC

13 **UNITED STATES BANKRUPTCY COURT**
14 **NORTHERN DISTRICT OF CALIFORNIA**
15 **SAN FRANCISCO DIVISION**

16 In re:) Case No. 14-30725
17 HASHFAST TECHNOLOGIES LLC, a)
California limited liability company,) Chapter 7
18 Debtor.) **DEBTOR’S MOTION TO CONVERT TO**
19) **CHAPTER 11**
20) [No Hearing Required Under Fed. R. Bankr. P.
21) 1017 Unless the Court Directs Otherwise]
22)
23)
24)

25 **TO THE HONORABLE DENNIS MONTALI, UNITED STATES BANKRUPTCY JUDGE:**

26 The above-captioned debtor (the “Debtor”) hereby moves (this “Motion”) this Court to
27 convert this case to chapter 11 pursuant to section 706(a) of title 11 of the United States Code, 11
28 U.S.C. §§ 101-1532 (the “Bankruptcy Code”) and Rule 1017(f)(2) of the Federal Rules of
Bankruptcy Procedure (the “Fed. R. Bankr. P.”) and in support of the Motion, respectfully

1 represents as follows:

2 1. “The debtor may convert a case under this chapter to a case under chapter 11 ... of
3 this title at any time, if the case has not been converted[.]” 11 U.S.C. § 706(a). Conversion under
4 Section 706(a) “shall be on motion filed and served as required by Rule 9013.” Fed. R. Bankr. P.
5 1017(f)(2). “No hearing is required on these motions unless the court directs.” 1987 Advisory
6 Committee Note to Fed. R. Bankr. P. 1017.

7
8 2. Debtor possesses a nearly absolute right to convert a chapter 7 case to a chapter 11
9 case under the Bankruptcy Code. 11 U.S.C. § 706(a). Section 706(a) limits the denial of a motion
10 to convert only to “atypical” and “extraordinary cases” in order “to prevent an abuse of process.”
11 *Marrama v. Citizens Bank of Mass.*, 549 U.S. 365, 375, 375 n.11 (2007); *see also* Senate Report
12 No. 95-989, 95th Cong., 2d Sess. 94 (1978) (“Subsection (a) of this section gives the debtor the
13 one-time absolute right of conversion of a liquidation case to a reorganization ... case.”). “By
14 making denial of motions to convert the exception, but not the rule, bankruptcy courts ensure that
15 conversion will be granted readily[.]” *In re Condon*, 358 B.R. 317, 326 (6th Cir. BAP 2007).

16
17 3. This Court should grant the Motion, without a hearing. An involuntary petition
18 under chapter 7 of the Bankruptcy Code was filed against Debtor on May 9, 2014 [Doc. No. 1].
19 Debtor has not abused the bankruptcy process. Debtor has fully complied with all of the
20 requirements of this Court and the Bankruptcy Code during the interim gap period. Debtor also
21 has not acted in bad faith. Moreover, Debtor plans to pursue a prompt reorganization in chapter
22 11. As stated by the Supreme Court in *Marrama*, under these circumstances, Debtor must be
23 afforded the opportunity to proceed in chapter 11 and provided its right to reorganize. A hearing
24 is not required, unless this Court directs otherwise.
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28

1 WHEREFORE, Debtor respectfully requests that the Court enter the attached proposed
2 order granting this Motion and converting this chapter 7 case to chapter 11, without a hearing.
3

4 Dated: June 3, 2014

KATTEN MUCHIN ROSENMAN LLP
Jessica M. Mickelsen
Peter A. Siddiqui

7 By: /s/ Jessica M. Mickelson
8 [Proposed] Counsel for Debtor
9 Hashfast Technologies LLC
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