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19 [Proposed] Counsel for Debtor and Debtor-In-Possession
20 HashFast Technologies LLC and HashFast LLC

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

24 In re:) Lead Case No. 14-30725
25)
26 HASHFAST TECHNOLOGIES LLC, a) (Proposed to be) Jointly Administered with:
27) California limited liability company,)
28) Debtor and Debtor-In-Possession) Case No. 14-30866
29) Chapter 11
30)
31 Affects HASHFAST LLC, a Delaware) **DEBTOR'S MOTION FOR AN ORDER**
32) limited liability company,) **PURSUANT TO RULE 1015(B) OF THE**
33) Debtor and Debtor-In-Possession) **FEDERAL RULES OF BANKRUPTCY**
34) **PROCEDURE DIRECTING THE JOINT**
35) **ADMINISTRATION OF THEIR**
36) **CHAPTER 11 CASES**
37)
38) Hearing
39) Date: June 27, 2014
40) Time: 10:00 a.m.
41) Place: 235 Pine St.
42) San Francisco, CA 94104
43) Judge: Honorable Dennis Montali.

1 **TO THE HONORABLE DENNIS MONTALI, UNITED STATES BANKRUPTCY JUDGE,**
2 **THE OFFICE OF THE UNITED STATES TRUSTEE, THE DEBTOR'S TWENTY**
3 **LARGEST UNSECURED CREDITORS, THE DEBTOR'S SECURED LENDERS AND**
4 **OTHER PARTIES IN INTEREST:**

5 The above-captioned debtors and debtors in possession (collectively, the "Debtors")
6 submit this motion (the "Motion") for entry of an order directing the joint administration of the
7 Debtors' chapter 11 cases for procedural purposes only. The Debtors request that the Court enter
8 an order on this Motion in substantially the same form and substance as the proposed form of
9 order attached hereto as Exhibit 1. In support of this motion, the Debtors submit the *Declaration*
10 *of Monica Hushen in Support of Chapter 11 Petition and First Day Motions* (the "Declaration in
11 Support of First Day Relief"), which the Debtors are filing contemporaneously herewith.

12 **WHEREFORE**, the Debtors respectfully request that the Court grant this Motion and
13 enter an order granting the relief requested herein, and such other and further relief as the Court
14 deems just and proper.

15 Dated: June 6, 2014

KATTEN MUCHIN ROSENMAN LLP

Peter A. Siddiqui
Jessica M. Mickelsen

18 By: /s/Jessica M. Mickelsen

19
20 **MEMORANDUM OF POINTS AND AUTHORITIES**

21 **I.**

22 **INTRODUCTION**

23 1. On May 9, 2014 (the "Petition Date"), certain petitioning creditors filed a chapter 7
24 Involuntary Petition against Hashfast Technologies LLC under title 11 of the United States Code,
25 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code") [Doc. No. 1].

26 2. On June 3, 2014, HashFast Technologies LLC filed its Conditional Consent to an
27 Order for Relief [Doc. No. 36] and its Motion to Convert to Chapter 11 [Doc. No. 35]. The Court
28

1 entered its order converting HashFast Technologies LLC's case to one under chapter 11 on June 5,
2 2014 [Doc. No. 40].

3 3. On June 6, 2014 (the "Petition Date"), HashFast LLC filed a voluntary petition for
4 relief under chapter 11 of title 11 of the Bankruptcy Code.

5
6 4. Debtors have filed various motions and applications seeking certain typical "first
7 day" orders regarding both of the Debtors, including this motion to jointly administer the case of
8 HashFast LLC with the case of its wholly-owned subsidiary HashFast Technologies LLC. While
9 these motions are pending, Debtors continue to operate their business and manage their properties
10 as debtors-in-possession.

11 5. A chapter 7 trustee has not been appointed, nor has a request been made for the
12 appointment of a chapter 11 trustee or examiner. No official committee(s) have been appointed in
13 these cases.

14 6. This Court has jurisdiction over this motion pursuant to 28 U.S.C. §§ 157 and
15 1334. Venue of the Debtors' chapter 11 cases and this motion is proper in this district pursuant to
16 28 U.S.C. §§ 1408 and 1409. This is a core proceeding under 28 U.S.C. § 157(b)(2).

17 7. The statutory bases for the relief requested herein are sections 105(a) and 521 of the
18 Bankruptcy Code and Rule 1007(c) of the Federal Rules of Bankruptcy Procedure (the
19 "Bankruptcy Rules").
20
21

22 II.

23 BACKGROUND

24 8. The Debtors are an industry leader in Bitcoin mining technology, focusing on
25 Bitcoin ASIC technology. Bitcoin is a peer-to-peer system that enables a new payment system of
26 completely digital currency. Users, which include brick and mortar businesses, online services
27 and individuals, send and receive Bitcoins to facilitate transactions for goods or services. Bitcoin
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mining generates new Bitcoins by processing transaction and securing the Bitcoin network using specialized hardware to earn Bitcoins. The Debtors produce, distribute and sell computer hardware used in Bitcoin mining.

9. A more detailed explanation of the Debtors' businesses and operations, and the events leading to the commencement of these cases, is provided in the Declaration of in Support of First Day Relief contemporaneously herewith and which is incorporated herein by reference.

III.
RELIEF REQUESTED

10. By this motion, the Debtors respectfully request the entry of an order providing for the joint administration of the Debtors' chapter 11 cases for procedural purposes only and establishing a caption for the jointly administered cases.

IV.
BASIS FOR RELIEF

11. Pursuant to Bankruptcy Rule 1015, this Court may order the joint administration of the estates of "a debtor and an affiliate." Fed. R. Bankr. P. 1015(b). The Debtors are "affiliates" as such term is defined in section 101(2) of the Bankruptcy Code. Accordingly, this Court is authorized to grant the relief requested herein.

12. The joint administration of these cases will promote economical and efficient administration of the Debtors' estates. The Debtors anticipate that numerous motions, applications, notices, and orders will relate to several of the Debtors' cases. Joint administration of the Debtors' chapter 11 cases will permit use of a single general docket for all of the Debtors' cases and avoid duplicative filings by the Court, the Debtors, and parties in interest. Thus, joint administration of the Debtors' estates will reduce costs and minimize the potential for confusion, which is in the best interests of the Debtors' estates, their creditors and all other parties in interest.

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13. The rights of the respective creditors of each of the Debtors will not be adversely affected by joint administration of these cases since the relief sought herein is purely procedural and is in no way intended to affect substantive rights. Creditors and other parties in interest will retain any claims or rights they may have against a particular estate. Finally, joint administration will simplify supervision of the administrative aspects of these cases by the Office of the United States Trustee.

14. In furtherance of the foregoing, the Debtors respectfully request that the official caption to be used by all parties in all pleadings in the jointly administered cases be as follows:

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

In re:) Case No. 14-30725 _____
) (Jointly Administered)
HASHFAST TECHNOLOGIES LLC, et)
al.,) Chapter 11
) Debtors.)

15. The Debtors submit that use of this simplified caption will eliminate cumbersome and confusing procedures and ensure uniformity of pleadings.

16. The Debtors also request that a notation be entered on the docket of the HashFast LLC case to reflect the joint administration of the cases in substantially the following form:

An order has been entered in accordance with Rule 1015(b) of the Federal Rules of Bankruptcy Procedure directing the procedural consolidation and joint administration of the chapter 11 cases commenced by HashFast Technologies LLC and its affiliates. The docket in Case No. 14-30725 should be consulted for all matters affecting the chapter 11 case of this debtor.

¹ The Debtors are HashFast LLC (FEIN 46-2943354), and HashFast Technologies LLC (FEIN 38-3913245).

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17. Finally, the entry of joint administration in multiple related cases is common and generally non-controversial in this district. *See, e.g., In ARCE Riverside, LLC*, Case No. 13-32456 (Bankr. N.D. Cal. Dec. 3, 2013).

NOTICE

18. The Debtors will provide notice of this Motion to the following parties or, in lieu thereof, to their counsel, if known: (a) the Office of the United States Trustee; (b) the Debtors' secured lenders; (c) the creditors holding the thirty (30) largest unsecured claims on a consolidated basis; and (d) all known taxing authorities that have claims against the Debtors. In light of the nature of the relief requested, the Debtors submit that no further notice is required.

NO PRIOR REQUEST

19. No prior motion for the relief requested herein has been made to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court enter an order granting the relief requested herein, and such other and further relief as the Court deems just and proper.

Dated: June 6, 2014

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

By: /s/ Jessica M. Mickelsen

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EXHIBIT 1

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19 [Proposed] Counsel for Debtor and Debtor-In-Possession
20 HashFast LLC Technologies LLC and HashFast LLC

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

24 In re:) Lead Case No. 14-30725
25)
26 HASHFAST TECHNOLOGIES LLC, a) (Proposed to be) Jointly Administered with:
27 California limited liability company,)
28) Case No. 14-30866
29 Debtor and Debtor-In-Possession) Chapter 11
30)
31) **ORDER PURSUANT TO RULE 1015(B)**
32) **OF THE FEDERAL RULES OF**
33) **BANKRUPTCY PROCEDURE**
34) **DIRECTING THE JOINT**
35) **ADMINISTRATION OF THEIR**
36) **CHAPTER 11 CASES**

37 This matter coming before the Court on the Motion of the Debtors for an Order Pursuant to
38 Rule 1015(b) of the Federal Rules of Bankruptcy Procedure Directing the Joint Administration of
39 Their Chapter 11 Cases (the "Motion")¹; the Court having reviewed the Motion and the
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¹ Capitalized terms not defined herein shall have the meaning given to them in the Motion.

1 Declaration in Support of First Day Relief; the Court having found that (a) the Court has
2 jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) venue is proper in this
3 district pursuant to 28 U.S.C. § 1408 and 1409, (c) this is a core proceeding pursuant to 28 U.S.C.
4 § 157(b), (d) notice of the Motion having been sufficient under the circumstances; and the Court
5 having determined that the legal and factual basis set forth in the Motion establish just cause for
6 the relief granted herein;
7

8 IT IS HEREBY ORDERED as follows:

- 9 1. The Motion is GRANTED.
- 10 2. All objections to the Motion or the relief requested therein that have not been made,
11 withdrawn, waived, or settled, and all reservations of rights included therein, hereby are overruled
12 on the merits.
- 13 3. Notice of the Motion was proper, timely, adequate and sufficient under the
14 particular circumstances.
- 15 4. In accordance with Bankruptcy Rule 1015(b), the above-captioned chapter 11 cases
16 are hereby consolidated, for procedural purposes only, and shall be jointly administered by this
17 Court.
18
- 19 5. The caption of the jointly administered chapter 11 cases shall be as follows
20 (footnote included):
21

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

24 In re:) Case No. 14-30725 _____
25 HASHFAST TECHNOLOGIES LLC, *et*) (Jointly Administered)
26 *al.*²) Chapter 11
27 Debtors.)

28 ² The Debtors are HashFast LLC (FEIN 46-2943354), and HashFast Technologies LLC (FEIN 38-3913245).

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6. No party shall be required to list any further information beyond that set forth above in pleadings filed in these chapter 11 cases.

7. All original docket entries shall be made in the case HashFast Technologies LLC, *et al.*, Case No. 14-30725, and the Clerk of this Court is directed to forthwith make a separate docket entry in the case of HashFast LLC, substantially as follows:

An order has been entered in accordance with Rule 1015(b) of the Federal Rules of Bankruptcy Procedure directing the procedural consolidation and joint administration of the chapter 11 cases commenced by HashFast Technologies LLC and its affiliates. The docket in Case No. 14-30725 should be consulted for all matters affecting the chapter 11 case of this debtor.

8. Nothing contained in the Motion or in this order shall be construed to cause substantive consolidation of these chapter 11 cases.

9. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this order.

10. The terms and conditions of this order shall be immediately effective and enforceable upon its entry.

11. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this order.

END OF ORDER