

ENTERED

October 14, 2024

Nathan Ochsner, Clerk

**IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	Chapter 11
	§	
RHODIUM ENCORE LLC, <i>et al.</i> , ¹	§	Case No. 24-90448 (ARP)
	§	
Debtors.	§	
	§	(Jointly Administered)
	§	

**ORDER GRANTING THE
MOTION OF THE DEBTORS TO ESTABLISH PROCEDURES
FOR INTERIM COMPENSATION AND REIMBURSEMENT
OF EXPENSES FOR PROFESSIONALS
(Relates to ECF No. 174)**

Upon the motion, dated September 22, 2024 (the “Motion”),² of Rhodium Encore LLC and its debtor affiliates, as debtors and debtors in possession (collectively, the “Debtors”, for entry of an order pursuant to sections 330 and 331 of the Bankruptcy Code, Bankruptcy Rule 2016 and Local Rule 2016-1 authorizing the Debtors to establish the Interim Compensation Procedures for professionals whose services are authorized by this Court pursuant to sections 327 or 1103 of the Bankruptcy Code and who will be required to file applications for allowance of compensation and reimbursement of expenses, as more fully set forth in the Motion; and this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C.

¹ The Debtors in these chapter 11 cases and the last four digits of their corporate identification numbers are as follows: Rhodium Encore LLC (3974), Jordan HPC LLC (3683), Rhodium JV LLC (5323), Rhodium 2.0 LLC (1013), Rhodium 10MW LLC (4142), Rhodium 30MW LLC (0263), Rhodium Enterprises, Inc. (6290), Rhodium Technologies LLC (3973), Rhodium Renewables LLC (0748), Air HPC LLC (0387), Rhodium Shared Services LLC (5868), Rhodium Ready Ventures LLC (8618), Rhodium Industries LLC (4771), Rhodium Encore Sub LLC (1064), Jordan HPC Sub LLC (0463), Rhodium 2.0 Sub LLC (5319), Rhodium 10MW Sub LLC (3827), Rhodium 30MW Sub LLC (4386), and Rhodium Renewables Sub LLC (9511). The mailing and service address of the Debtors in these chapter 11 cases is 2617 Bissonnet Street, Suite 234, Houston, TX 77005.

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



§ 157(b); and it appearing that venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided; and it appearing that no other or further notice need be provided; and this Court having reviewed the Motion; and a hearing, if any, having been held to consider the relief requested in the Motion; and all objections, if any, to the Motion having been withdrawn, resolved, or overruled; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors and their respective estates and creditors; and upon all of the proceedings had before this Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. Except as may otherwise be provided by orders of this Court authorizing the retention of specific professionals, all Retained Professionals, and members of any statutory committee of creditors may seek interim compensation and/or reimbursement of expenses in accordance with the following Interim Compensation Procedures:

- a. On or before the **last day of each month following the month for which compensation is sought** or as soon as is reasonably practicable thereafter, each Retained Professional seeking compensation shall file, with the Court, a monthly statement, reasonably detailed indicating the nature of the services rendered and expenses incurred (the “Monthly Statement”),³ and serve the Monthly Statement by email to the following parties:
 - i. Rhodium Enterprises, Inc., Attn: Charles Topping (chucktopping@rhdm.com) and Morgan Soule (morgansoule@rhdm.com), 2617 Bissonnet Street, Suite 234, Houston, Texas 77005;
 - ii. Debtors’ Bankruptcy Counsel, c/o Quinn Emanuel Urquhart & Sullivan, LLP, Attn: Patricia B. Tomasco (pattytomasco@quinnemanuel.com); Razmig Izakelian (razmigizakelian@quinnemanuel.com), Alain Jaquet

³ For the avoidance of doubt, Retained Professionals may file and serve on the Fee Notice Parties a combined Monthly Statement for the months of August 2024 and September 2024.

(alainjaquet@quinnemanuel.com), and Joanna D. Caytas (joannacaytas@quinnemanuel.com), 700 Louisiana, Suite 3900, Houston, Texas 77002;

- iii. Debtors' Financial Advisor, c/o Province, Attn: Mark Robinson (mrobinson@provincefirm.com); David Dunn (ddunn@provincefirm.com); Kirsten Lee (klee@province.com); and Andrew Popescu (apopescu@provincefirm.com), 2360 Corporate Circle, Suite 340, Henderson, Nevada 89074;
- iv. Galaxy Digital, LLC, in its capacity as DIP Agent, c/o Orrick, Herrington & Sutcliffe LLP, Ryan C. Wooten (rwooten@orrick.com), 609 Main, 40th Floor, Houston, Texas 77002, and Robert Trust (rtrust@orrick.com), Mark Franke (mfranke@orrick.com) and Brandon Batzel (bbatzel@orrick.com), 51 West 52nd Street, New York, New York 10019;
- v. Counsel or proposed counsel to any statutory committee appointed in these Chapter 11 Cases; and
- vi. United States Trustee, Ha Minh Nguyen (ha.nguyen@usdoj.gov), 515 Rusk, Suite 3516, Houston, Texas 77002.

(collectively, the "Fee Notice Parties").

- b. Each Fee Notice Party shall have 14 days after service of a Monthly Statement to review it. Upon expiration of such 14-day period, the Debtors are authorized and directed to pay the Retained Professional an amount (the "Actual Monthly Payment") equal to 80% of the fees and 100% of the expenses requested in the applicable Monthly Statement (the total amount requested being the "Maximum Monthly Payment") that are not subject to an objection pursuant to subparagraph (iii) below.
- c. If a Fee Notice Party objects to a Monthly Statement, the objecting party shall, within 14 days after the service of the Monthly Statement, serve via email a written notice upon the respective Retained Professional and each of the other Fee Notice Parties (the "Notice of Objection to Monthly Statement") setting forth with reasonable detail the nature of the objection and the amount at issue. Thereafter, the objecting party and the Retained Professional shall attempt to resolve the objection on a consensual basis. If the parties reach an agreement, the Debtors shall promptly pay 80% of the agreed-upon fees and 100% of the agreed-upon expenses. If, however, the parties are unable to reach a resolution of the objection within 14 days after serving the Notice of Objection to Monthly Statement, the objecting party shall file its objection (the "Objection") with the Court within 3 business days and serve such Objection on the respective Retained Professional and each of the other Fee Notice Parties. Thereafter, the Retained Professional

may either (i) file with the Court a response to the Objection, together with a request for payment of the amount in dispute pursuant to the Objection (the “Disputed Amount”), or (ii) forego payment of the Disputed Amount until the next hearing on an Interim Fee Application or Final Fee Application (each as defined herein), at which time the Court will consider the Objection, if requested by the parties.

- d. Beginning with the period ending November 30, 2024, and at three month intervals thereafter (each, an “Interim Fee Period”), each of the Retained Professionals shall file with the Court and serve on the Fee Notice Parties an interim fee application (each an “Interim Fee Application”) for payment of compensation and reimbursement of expenses sought in the Monthly Statements filed during such period and prepared in accordance with the Interim Compensation Procedures. Each Interim Fee Application shall consist of (i) the Complex Case Fee Application Cover Sheet, the form of which is located on the Court’s website, (ii) a copy of the invoices for the interim application period (if hourly) or a calculation of the fees due for the interim application period if non-hourly), (iii) an itemized list of expenses for which reimbursement is requested (if not contained in the copies of the invoices), (iv) a narrative discussion, (v) a summary of the Fee Statements that are subject of such application request, (vi) the amount of fees and expenses paid to date or subject to objection, (vii) the deadline for parties to file objections, and (viii) a proposed order in the form located on the Court’s website. Notice Parties will have 21 days after service of the Interim Fee Application, which service may be by email, to object thereto. The first Interim Fee Application shall cover the Interim Fee Period from the Petition Date through and including November 30, 2024. Notwithstanding anything to the contrary in the Interim Compensation Procedures, a Retained Professional may file a fee application in accordance with any procedures established by a chapter 11 plan filed in these Chapter 11 Cases and confirmed by the Court.
- e. Retained Professionals shall file their Interim Fee Applications on or before the 45th day, or the next business day if such day is not a business day, following the end of each Interim Fee Period; *provided*, that the failure to file an Interim Fee Application on such date shall not be the basis for objection to or disallowance of the fees and expenses of any Retained Professional.
- f. The Debtors will request that the Court consider the Interim Fee Applications once every 3 months or at such other intervals as the Court deems appropriate. The Court, in its discretion, may approve an uncontested Interim Fee Application without the need for a hearing if no Objections are timely filed. Upon allowance by the Court of a Retained Professional’s Interim Fee Application, the Debtors shall be authorized to

promptly pay such Retained Professional all requested fees (including the 20% holdback) and expenses not previously paid.

- g. The pendency of an Objection to payment of compensation or reimbursement of expenses will not disqualify a Retained Professional from the future payment of compensation or reimbursement of expenses under these Compensation Procedures, unless otherwise ordered by the Court.

2. Neither (a) the payment of or the failure to pay, in whole or in part, a Monthly Statement nor (b) the filing of or failure to file an Objection with the Court will bind any party in interest or the Court with respect to the Final Fee Applications. All fees and expenses paid to Retain Professionals under the Compensation Procedures are subject to challenge and disgorgement until final allowance by the Court.

3. In each Interim Fee Application and the Final Fee Application all attorneys who have been or are hereafter retained pursuant to sections 327 or 1103 of the Bankruptcy Code, unless such attorney is an ordinary course professionals retained by the Debtors, shall apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with these Chapter 11 Cases in compliance with sections 330 and 331 of the Bankruptcy Code and applicable provisions of the Bankruptcy Rules, Local Rules, and any other applicable procedures and orders of the Court, and shall make a reasonable effort to comply with the U.S. Trustee's requests for information and additional disclosures both in connection with any Interim Fee Application and Final Fee Application to be filed in these Chapter 11 Cases.

4. A Retained Professional shall not seek payment in a Final Fee Application for any amounts that such Retained Professionals previously sought in a Monthly Fee Statement or Interim Fee Application, and which such Retained Professional voluntarily waived or reduced to resolve formal or informal objections or were disallowed by order of this Court.

5. The Retained Professionals shall serve the Monthly Statements, the Interim Fee Applications, and the Final Fee Applications on the Fee Notice Parties only and shall provide

notice of hearings on the Interim Fee Applications and the Final Fee Applications on all other parties that have filed a notice of appearance with the Clerk of this Court and requested notice of pleadings in these cases.

6. All notices given in accordance with the Compensation Procedures shall be deemed sufficient and adequate notice and in full compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

7. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

8. The Debtors are authorized to take all actions necessary or appropriate to carry out the relief granted in this Order.

9. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Signed: October 14, 2024


Alfredo R Pérez
United States Bankruptcy Judge