

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

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

**EMERGENCY MOTION TO QUASH THE TRANSCEND GROUP’S NOTICES OF
RULE 2004 EXAMINATIONS CHASE BLACKMON AND NATHAN NICHOLS AND
FOR RELATED RELIEF**

[Related to ECF 963 and 964]

EMERGENCY RELIEF HAS BEEN REQUESTED. RELIEF IS REQUESTED NOT LATER THAN 9:00 A.M. ON APRIL 24, 2025.

IF YOU OBJECT TO THE RELIEF REQUESTED OR YOU BELIEVE THAT EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU MUST APPEAR AT THE HEARING IF ONE IS SET, OR FILE A WRITTEN RESPONSE PRIOR TO THE DATE THAT RELIEF IS REQUESTED IN THE PRECEDING PARAGRAPH. OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

Chase Blackmon and Nathan Nichols, creditors in the above-captioned chapter 11 cases, by and through their undersigned counsel, respectfully submit this motion (the “Motion”) requesting an order, substantially in the form of the proposed order attached hereto (the “Proposed Order”), quashing the Notice of Rule 2004 Depositions of Chase Blackmon and Nathan Nichols filed by Transcend Partners Legend Fund LLC, Valley High LP, GR Fairbairn Family Trust, Grant

¹ The debtors and debtors-in-possession in these chapter 11 cases (the “Debtors”) 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.



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Fairbairn Revocable Trust, Nina Claire Fairbairn Revocable Trust, NCF Eagle Trust, GRF Tiger Trust, and NC Fairbairn Family Trust (collectively, the “Transcend Group”) and ordering the Transcend Group to comply with Bankruptcy Local Rule 2004-1 for any alternative Bankruptcy Rule 2004 examination of Chase Blackmon or Nathan Nichols. In support of the Motion, Movants respectfully represent as follows:

OVERVIEW

1. Movants have no objection to being questioned and previously agreed with the SAFE AHG to be examined prior to the mediation. However, the SAFE AHG decided to conduct the examinations in May after the mediation. Thereafter, last Saturday evening, the Transcend Group noticed the examinations for this week. Movants object to being subjected to multiple examinations. Since the Transcend Notices do not follow the rules, Movants suggest those notices be quashed and Transcend can ask any questions it has during the examinations noticed by the SAFE AHG.

JURISDICTION AND VENUE

2. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b).

3. Venue in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief sought are sections 105 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 2004-1 of the Bankruptcy Local Rules for the U.S. Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Local Rules”).

BACKGROUND AND BASIS FOR RELIEF

5. On March 1, 2025, the SAFE AHG unilaterally noticed the Rule 2004 “depositions” of Nathan Nichols, Chase Blackmon, and Cameron Blackmon for March 25-27, which were

subsequently re-noticed for April 21 (Cameron Blackmon), April 22 (Chase Blackmon), and April 23 (Nathan Nichols). After negotiations among various parties, the SAFE AHG decided not to proceed with the examinations on April 21-23 and, at 8:50 p.m. on Saturday, April 19, served revised notices for May 12 (Chase Blackmon), May 14 (Nathan Nichols), and May 16 (Cameron Blackmon). The revised SAFE AHG Bankruptcy Rule 2004 examination notices are attached as **Exhibit A**.

6. Meanwhile, around 7:00 p.m. Saturday evening, the Transcend Group filed and served its own Rule 2004 examination notices (the “Transcend Notices”) attempting to unilaterally set the examinations of Nathan Nichols for April 24 and Chase Blackmon for April 25 – dates that had not previously been noticed or agreed to. [ECF 963 and 964]

A. The Transcend Notices should be quashed for failing to comply with Bankruptcy Local Rule 2004-1.

7. The Transcend Notices are defective under the Bankruptcy Local Rules. First, the Transcend Group failed to conference with Chase Blackmon and Nathan Nichols as required by Bankruptcy Local Rule 2004-(c). The rule expressly provides that “failure to confer is grounds for a motion to quash and sanctions.” Second, the Transcend Group did not provide at least 14 days’ written notice of a proposed examination, as required by Bankruptcy Local Rule 2004-1(d). Only five days’ notice was provided, and that was over a holiday weekend. The rule provides parties seven days to *object* after the filing according to Bankruptcy Local Rule 2004-1(f). Third, the Transcend Group did not apprise Chase Blackmon or Nathan Nichols of the scope of the examination, as required by Bankruptcy Local Rule 2004-1(d). The Transcend Notices fail to satisfy the requirements under the Bankruptcy Local Rules.

8. This failure, and particularly with respect to the notice and conference requirements, is grounds for quashing the notice without a hearing.² By itself, Bankruptcy Rule 2004 requires a motion and order for an examination. Bankruptcy Local Rule 2004-1 obviates the need for the motion and order but imposes certain additional procedural requirements. These additional requirements are a necessary part of obtaining an examination without a motion and order. Absent Local Bankruptcy Rule 2004-1, an examination under Bankruptcy Rule 2004 requires an affirmative order of the Court. This motion would require ordinary notice and service, and no such motion has been filed. Although Bankruptcy Local Rule 2004-1 obviates the need for motion and a hearing, that is only if its requirements are met. Because the Bankruptcy Local Rule requires at least 14 days' notice to be operative and expressly provides that failure to confer is grounds for a motion to quash, the Transcend Notices should be quashed.

9. Quashing the Transcend Notices would not leave the Transcend Parties without the ability to obtain information from Chase Blackmon or Nathan Nichols. As a party in the chapter 11 cases, they are of course entitled to participate in the SAFE AHG's Rule 2004 examinations scheduled for May. To the extent that there are areas not covered in the SAFE AHG's examination, the Transcend Group would be able to obtain that information through specific discovery pursuant to the relevant Federal Rules of Civil Procedure. But they should not be allowed to use discovery as a vehicle to harass parties in contravention of the Bankruptcy Local Rules.³

BASIS FOR EMERGENCY CONSIDERATION

10. The Transcend Group filed the patently deficient Transcend Notices the evening of April 19, 2025. The Transcend Group intends to conduct Nathan Nichols' deposition at 9:30 a.m.

² See *In re Galleria 2425 Owner, LLC*, Case No. 23-34825 (Bankr. S.D. Tex.), ECF Nos. 129, 134, and 139.

³ Chase Blackmon and Nathan Nichols also reserve the right to object to any Rule 2004 examinations that violate the pending proceeding rule.

CT on April 24, 2025, and Chase Blackmon's deposition on April 25, only five and six days later. Unless the Court enters an order quashing the Transcend Notices without a hearing—as Chase Blackmon and Nathan Nichols submit would be appropriate given the clear requirements of Bankruptcy Local Rule 2014-1—an emergency hearing is required.

CONCLUSION

Chase Blackmon and Nathan Nichols respectfully request that the Court enter an order, substantially in the form of the Proposed Order attached hereto, quashing the Transcend Notices and instructing the Transcend Group to comply with Bankruptcy Local Rule 2004-1 and for any further noticed Bankruptcy Rule 2004 examinations.

Dated: April 22, 2025

Respectfully submitted,

SREUSAND, LANDON, OZBURN AND
LEMMON

/s/Stephen W. Lemmon

Stephen W. Lemmon

SBOT no 12194500

Rhonda Mates

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Counsel to Nathan Nichols and Chase Blackmon

CERTIFICATE OF SERVICE

I hereby certify that the forgoing document was served (a) by the Court's CM/ECF System on all parties registered to receive such service at the time of filing and (b) by U.S.P.S. first class mail on the following persons within one business day:

Attn: Brenda L Funk & John Cornwell
Munsch Hardt Kopf & Harr, P.C.
700 Milam St., Suite 800
Houston, TX 77002

-and-

Attn: Chase J. Potter
Iacuone McAllister Potter PLLC
4925 Greenville Ave., Suite 1112
Dallas, Texas 75206

/s/ Stephen W. Lemmon
Stephen W. Lemmon

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE 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)
	§	

REVISED NOTICE OF RULE 2004 DEPOSITION OF CHASE BLACKMON

PLEASE TAKE NOTICE THAT, pursuant to Rule 2004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Local Rule 2004-1 of the United States Bankruptcy Court for the Southern District of Texas (the “Local Rules”), the Ad Hoc Group (“AHG”) of parties to Simple Agreements for Future Equity with Debtor Rhodium Enterprises, Inc. will take the oral deposition of Chase Blackmon on **May 12, 2025**, starting at **9:30 a.m. Central Time** at the offices of Akin Gump Strauss Hauer & Feld LLP, 1111 Louisiana St. #44, Houston, Texas 77002, or at such other date, time, and place as the parties may agree. The deposition will be recorded by stenographic means and may also be recorded by audio or audiovisual means and shall continue day-to-day until completed.

¹ 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), Jordan HPC Sub LLC (0463), Rhodium 2.0 Sub LLC (5319), Rhodium 10MW Sub LLC (3827), Rhodium 30MW Sub LLC (4386), Rhodium Encore Sub LLC (1064), Rhodium Enterprises, Inc. (6290), Rhodium Industries LLC (4771), Rhodium Ready Ventures LLC (8618), Rhodium Renewables LLC (0748), Air HPC LLC (0387), Rhodium Renewables Sub LLC (9511), Rhodium Shared Services LLC (5868), and Rhodium Technologies LLC (3973). The mailing and service address of Debtors in these chapter 11 cases is 2617 Bissonnet Street, Suite 234, Houston, TX 77005.

Dated: April 18, 2025

AKIN GUMP STRAUSS HAUER & FELD LLP

/s/ Sarah Link Schultz

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S.D. Tex. 30555)

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*Counsel to the Ad Hoc Group of SAFE
Parties*

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

REVISED NOTICE OF RULE 2004 DEPOSITION OF NATHAN NICHOLS

PLEASE TAKE NOTICE THAT, pursuant to Rule 2004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Local Rule 2004-1 of the United States Bankruptcy Court for the Southern District of Texas (the “Local Rules”), the Ad Hoc Group (“AHG”) of parties to Simple Agreements for Future Equity with Debtor Rhodium Enterprises, Inc. will take the oral deposition of Nathan Nichols on **May 14, 2025**, starting at **9:30 a.m. Central Time** at the offices of Akin Gump Strauss Hauer & Feld LLP, 1111 Louisiana St. #44, Houston, Texas 77002, or at such other date, time, and place as the parties may agree. The deposition will be recorded by stenographic means and may also be recorded by audio or audiovisual means and shall continue day-to-day until completed.

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Dated: April 18, 2025

AKIN GUMP STRAUSS HAUER & FELD LLP

/s/ Sarah Link Schultz

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**IN THE UNITED STATES BANKRUPTCY COURT
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<p>In re:</p> <p>RHODIUM ENCORE LLC, <i>et al.</i>,¹</p> <p style="text-align: center;">Debtors.</p>	<p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p>	<p>Chapter 11</p> <p>Case No. 24-90448 (ARP)</p> <p>(Jointly Administered)</p>
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REVISED NOTICE OF RULE 2004 DEPOSITION OF CAMERON BLACKMON

PLEASE TAKE NOTICE THAT, pursuant to Rule 2004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Local Rule 2004-1 of the United States Bankruptcy Court for the Southern District of Texas (the “Local Rules”), the Ad Hoc Group (“AHG”) of parties to Simple Agreements for Future Equity with Debtor Rhodium Enterprises, Inc. will take the oral deposition of Cameron Blackmon on **May 16, 2025**, starting at **9:30 a.m. Central Time** at the offices of Akin Gump Strauss Hauer & Feld LLP, 1111 Louisiana St. #44, Houston, Texas 77002, or at such other date, time, and place as the parties may agree. The deposition will be recorded by stenographic means and may also be recorded by audio or audiovisual means and shall continue day-to-day until completed.

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Dated: April 18, 2025

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/s/ Sarah Link Schultz

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In re:)	
RHODIUM ENCORE, LLC, et al., ¹)	Chapter 11
)	
Debtor.)	Case No. 24-90448 (ARP)
)	
)	Jointly Administered

ORDER QUASHING RULE 2004 EXAMINATIONS BY THE TRANSCEND GROUP

Upon consideration of Chase Blackmon's and Nathan Nichols' Emergency Motion to Quash Rule 2004 Examinations by the Transcend Group (the "Motion"), any response thereto, and for good cause shown, it is hereby ORDERED as follows:

1. The Notices of Rule 2004 Deposition of Nathan Nichols [ECF 963] and Chase Blackmon [ECF No. 964] are hereby QUASHED.
2. Transcend Partners Legend Fund LLC, Valley High LP, GR Fairbairn Family Trust, Grant Fairbairn Revocable Trust, Nina Claire Fairbairn Revocable Trust, NCF Eagle Trust, GRF Tiger Trust, and NC Fairbairn Family Trust shall comply with Bankruptcy Local Rule 2004-1 with respect to any further notice of Bankruptcy Rule 2004 examination of Nicholas Cerasuolo.

Signed _____, 2025

UNITED STATES BANKRUPTCY JUDGE

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.