

**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)
	§	

**OBJECTION OF THE AD HOC GROUP OF SAFE PARTIES TO THE EMERGENCY
SETTING OF (A) DEBTORS' MOTION FOR ENTRY OF AN ORDER AUTHORIZING
THE DEBTORS TO AMEND THE FINAL CASH COLLATERAL ORDER TO PROVIDE
FOR PAYMENT TO PREPETITION SECURED LENDERS AND (B) DEBTORS'
EMERGENCY MOTION FOR ENTRY OF AN ORDER (I) APPROVING THE
ACCELERATED PAYMENT PROCEDURES; AND (II) GRANTING RELATED RELIEF**

The Ad Hoc Group of SAFE Parties (the “**SAFE AHG**”)² in the above-captioned chapter 11 cases of Rhodium Encore LLC and its affiliated debtors and debtors in possession (collectively, the “**Debtors**”), by and through its undersigned counsel, respectfully submits this objection (the “**Objection**”) regarding the emergency treatment of the Debtors’ Motion for Entry of an Order Authorizing the Debtors to Amend the Final Cash Collateral Order to Provide for Payment to Prepetition Secured Lenders (the “**Secured Debt Payment Amendment**”) and the Debtors’ Emergency Motion for Entry of an Order (I) Approving the Accelerated Payment Procedures; and (II) Granting Related Relief (the “**Unsecured Debt Payment Motion**” and together with the

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.

² The members of the Ad Hoc Group of SAFE Parties are set forth in the *First Supplemental Verified Statement of Ad Hoc Group of SAFE Parties Pursuant to Bankruptcy Rule 2019* [Docket No. 607].



Secured Debt Payment Amendment, the “**Motions**”). In support of this Objection, the Ad Hoc Group submits as follows:

OBJECTION

1. The Debtors seek emergency consideration of their requests to (a) amend a final order and provide for the payment of pre-petition secured debt and (b) establish procedures to pay a select group of pre-petition general unsecured creditors, both *outside* of the plan process. While the SAFE AHG has not yet formed a view with respect to the relief sought in the Motions, the SAFE AHG does object to the Court considering these Motions on barely a week’s notice.

2. First, with respect to the Secured Debt Payment Amendment, the Debtors failed to seek emergency treatment of the Secured Debt Payment Amendment. To the contrary, despite the 21-day objection period prescribed by the Procedures for Complex Cases in the Southern District of Texas (“Complex Case Procedures”), the Debtors simply set the hearing on May 14, 2021. Far less than the notice period mandated by the Complex Case Procedures, which plainly provide that:

All motions seeking relief on less than 21-days’ notice must be filed as “emergency” motions. An emergency motion must contain the word “emergency” in the title of the motion and must be filed using the CM/ECF code for an emergency motion.

Complex Case Procedures at §G.17.

3. More problematically, the Debtors’ proposed expedited timing does not provide parties-in-interest with sufficient time to assess the relief requested in the Secured Debt Payment Amendment. To be clear, the SAFE AHG is not necessarily opposed to the payment of secured claims outside of a plan. However, the SAFE AHG requires time and additional information to ensure that the value of the collateral supports such payments, and that such payments are not flowing to parties against whom estate claims exist, and to otherwise consider the relief requested in the Secured Debt Payment Amendment. To that end, promptly after the Motions were filed, the

SAFE AHG began serving discovery requests relevant to the relief requested by Debtors. But seven days simply is not enough time for the SAFE AHG to gather responses and other information pertinent to its assessment of the merits of the propriety of that relief, and to determine whether, and to what extent, it may object.

4. Second, notwithstanding the unusual nature of the request to pay unsecured claims outside of the Bankruptcy Code's prescribed plan process, the Debtors provide no cogent justification for the accelerated consideration of this request. Debtors cite only the "continuous accrual of interest and fees associated with the Unsecured Claims." Unsecured Debt Payment Motion at ¶ 22. But the *per diem* interest accrual of \$903 referenced by the Debtors presents no risk of immediate and irreparable harm in the context of these cases. Unsecured Debt Payment Motion at ¶ 11. To the contrary, when weighed against ensuring stakeholders have sufficient time to evaluate the highly unusual relief requested, the minimal additional interest cuts against hearing the Unsecured Debt Payment Motion on an emergency basis, not for it. The Debtors have plainly failed to provide the requisite "detailed statement why an emergency exists, and the date relief is needed to avoid the consequences of the emergency." Bankr. S.D. Tex. L.R. 9013-1(i).

5. Again, the SAFE AHG ultimately may not object, or may object only in part, to the relief sought by the Motions. But the SAFE AHG and other parties-in-interest should be afforded at least the amount of notice prescribed under applicable rules so that they can make an informed decision concerning how to proceed. The SAFE AHG therefore respectfully submits that the Motions therefore should be considered on the ordinary schedule provided under applicable rules. *See* Complex Case Procedures at §G.17 (requiring 21 days' notice on motions not warranting emergency consideration).

RESERVATION OF RIGHTS

6. This Objection is submitted without prejudice to, and with a full reservation of, the SAFE AHG's rights, claims, defenses and remedies, including the right to amend, modify or supplement this Objection to raise additional objections and to introduce evidence at any hearing relating to the Motions, and without in any way limiting any other rights of the Ad Hoc Group to further respond to the Motions, on any grounds, as may be appropriate.

CONCLUSION

For the reasons set forth in this Statement, the SAFE AHG respectfully requests that the Court set the Motions on regular notice and grant such relief as may be just and appropriate.

Dated: May 7, 2025

Respectfully Submitted,

AKIN GUMP STRAUSS HAUER & FELD LLP

/s/ Sarah Link Schultz

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CERTIFICATE OF CONFERENCE

I hereby certify that on May 7, 2025, counsel to the SAFE AHG conferred with counsel to the Debtors in a good faith effort to resolve the issues raised in this Objection. I hereby certify that we have engaged in good faith discussions in an attempt to address the SAFE AHG's concerns. The dispute remains unresolved.

/s/ Sarah Link Schultz
Sarah Link Schultz

CERTIFICATE OF SERVICE

I hereby certify that on May 7, 2025, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Sarah Link Schultz
Sarah Link Schultz