

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)

**REQUEST OF THE WIND DOWN DEBTOR TO END ABATEMENT OF,
AND GRANT, SANCTIONS MOTIONS AGAINST MIDAS GREEN**

Rhodium Enterprises, Inc., the wind down Debtor entity (the “**Wind Down Debtor**”) in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”) of Rhodium Encore LLC and its affiliated debtors and debtors in possession (the “**Debtors**”) respectfully asks the Court to restore to the calendar, and grant, the Debtors’ motions for sanctions (Docket Nos. 1793 and 1794, the “**Second Sanctions Motions**”).

INTRODUCTION

1. Midas Green Technologies LLC (“**Midas Green**”) commenced frivolous pre-petition litigation purporting to allege claims of patent infringement against certain Rhodium entities. On or around, April 9, 2024, the United States District Court for the Western District of Texas (the “**District Court**”) granted summary judgment in favor of the Debtor-defendants.

2. Remarkably, and despite the District Court’s holding, Midas Green purported to file claims in these bankruptcy cases asserting damages based on the very claims the District Court

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.



already had rejected. Midas Green was timely served with sanctions motions but refused to withdraw its proofs of claim before expiration of the Rule 11 safe harbor (or ever, for that matter). The Court proceeded to the merits, sustaining the Debtors' objection to Midas Green's claims, and estimating them at \$0.00. *See* Docket Nos. 1878 and 1879.

3. As discussed below, the Second Sanctions Motions were fully briefed by the parties, and "abated" by the Court (*see* Docket No. 1986) pending a "final resolution of the appeal" (the "**Appeal**") of the Orders (as defined below) filed by Midas Green. *See* Docket No. 1983. The Appeal has been finally resolved. On February 23, 2026, the United States District Court for the Southern District of Texas granted Midas Green's voluntary motion to dismiss the Appeal, and "directed [the Clerk] to close [the] case." *See* Ex. A.

4. Accordingly, the abatement can end. As discussed briefly below, and in the Second Sanctions Motions, Midas Green's vexatious litigation cost the Debtors millions of dollars in unnecessary legal fees and expenses. The Wind Down Debtor respectfully submits that the Second Sanctions Motions should be restored to the calendar, and granted, and that Midas Green should be required to reimburse for the benefit of the Debtors' creditors and other stakeholders the fees and expenses imposed on the Debtors as a result of Midas Green's sanctionable misconduct.

BACKGROUND

Pre-Petition Action Subject to Adverse Judgment in District Court

5. On January 13, 2022, Midas Green commenced an action (the "**Pre-Petition Action**") against Rhodium Enterprises, Inc. ("**REI**") and certain of its affiliates. *See* Complaint for Patent Infringement, *Midas Green Techs., LLC v. Rhodium Enters. Inc.*, No. 6:22-cv-00050-ADA (W.D. Tex. Jan. 13, 2022) [Docket No. 1]. Midas Green filed a third amended complaint (the "**Third Amended Complaint**") on or around March 29, 2023, naming REI, Rhodium

Technologies LLC, Rhodium 10MW LLC, Rhodium 2.0 LLC, Rhodium 30MW LLC, Rhodium Encore LLC, Rhodium Renewables LLC, Rhodium Renewables Sub LLC, and Rhodium Ready Ventures LLC, purporting to allege claims of patent infringement. *See* Third Amended Complaint for Patent Infringement, *Midas Green Techs., LLC v. Rhodium Enters. Inc.*, No. 6:22-cv-00050-ADA (W.D. Tex. Mar. 29, 2023) [Docket No. 106].

6. The Rhodium defendants moved for summary judgment for noninfringement on March 1, 2024. *See* Motion for Summary Judgment of Noninfringement, *Midas Green Techs., LLC v. Rhodium Enters. Inc.*, No. 6:22-cv-00050-ADA (W.D. Tex. Mar. 1, 2024) [Docket No. 155]. On April 9, 2024, the District Court granted the Rhodium defendants' motion, holding, among other things, that there was no genuine dispute of material fact and that the Rhodium defendants were entitled to judgment on the claims alleged in the Third Amended Complaint, including based on the District Court's finding of noninfringement as a matter of law. *See Midas Green Techs., LLC v. Rhodium Enters. Inc.*, No. 6:22-cv-00050-ADA [Docket No. 187] April 9, 2024 Hr'g Tr. at 54:10-13.

Midas Green Files Proofs of Claim Based on Failed Pre-Petition Action

7. On August 24, 2024, certain Debtors filed the first bankruptcy petition in these cases. On September 18, 2024, and November 21, 2024, Midas Green purported to file seven proofs of claim asserting alleged damages based on putative patent infringement claims against Debtors REI, Rhodium 10MW LLC, Rhodium 30MW LLC, Rhodium 2.0 LLC, Rhodium Technologies LLC, Rhodium Renewables Sub LLC, and Rhodium Encore LLC (collectively, the "**Midas Claims**"). *See* Claim Nos. 004, 062, and 068-072. Through the Midas Claims, Midas Green sought between approximately \$25 million and \$43 million in alleged damages. Each Midas

Claim attached a copy of the Third Amended Complaint, and was predicated on the allegations previously rejected by the District Court, in the Pre-Petition Action.

8. On April 17, 2025, the Debtors filed the *Debtors' Amended Omnibus Objection to Claim Numbers 004, 062, and 068-072 Filed by Midas Green Technologies LLC* [Docket Nos. 953-954] (the “**Claims Objection**”). The Claims Objection sought entry of an order disallowing and expunging the Midas Claims in their entirety on issue preclusion grounds, among other legal doctrines. As explained in the Claims Objection, before the claims were filed, the District Court in the Pre-Petition Action already had ruled in favor of the summary judgment filed by certain Debtor entities in connection with Midas Green’s claims, holding that the conduct alleged did not give rise to claims for infringement on Midas Green’s patents. *See* Claims Objection at ¶¶ 21-29.

9. On May 8, 2025, Midas Green responded to the Claims Objection. *See* Docket No. 1069. And on July 7, 2025, the Debtors filed a reply in support of the Claims Objection and requesting a summary judgment briefing schedule. *See* Docket No. 1413.

10. On July 29, 2025, and July 30, 2025, the Debtors filed the *Debtors' Summary Judgment Motion in Support of Amended Omnibus Objection to Claim Numbers 004, 062, and 068-072 Filed by Midas Green Technologies LLC* [Docket Nos. 1484, 1486] (the “**Summary Judgment Motion**”), contending that the Midas Claims failed as a matter of law and requesting that the Court enter summary judgment in favor of the Debtors and dismiss the Midas Claims. Simultaneously with the Summary Judgment Motion, the Debtors filed the *Motion to Estimate Contingent and Unliquidated Claims of Midas Green Technologies LLC and Grant Related Relief* [Docket No. 1485] (the “**Estimation Motion**”), requesting the Court estimate the Midas Claims at \$0.00 given the District Court’s finding of noninfringement. On August 12, 2025, Midas Green filed responses to the Summary Judgment Motion (*see* Docket No. 1522) and the Estimation

Motion (*see* Docket No. 1523). On August 19, 2025, the Debtors filed replies in support of the Summary Judgment Motion (*see* Docket No. 1534) and the Estimation Motion (*see* Docket No. 1535).

Debtors Serve Sanctions Motion; File After Safe Harbor Ends

11. On or around August 7, 2025, Debtors served on Midas Green a motion for sanctions relating to the Midas Claims. *Debtors' Motion for Sanctions Relating to Claim Numbers 004, 062, and 068-072 Filed by Midas Green Technologies LLC* [Docket No. 1602] (the “**First Sanctions Motion**”). The First Sanctions Motion sought reimbursement of the Debtors’ accrued and accruing legal fees and expenses relating to defense of the Midas Claims as a sanction pursuant to Bankruptcy Rule 9011, Bankruptcy Code Section 105, and the Patent Act. The First Sanctions Motion explained that sanctions were warranted based on (i) Midas Green’s continued pursuit of the Midas Claims, even though they had already been litigated before, and rejected by, the District Court, (ii) the fact that the Midas Claims were frivolous when filed, and (iii) the unsupportable nature of the damages claimed. *See id.* at ¶¶ 10-17.

12. Midas Green refused to withdraw its proofs of claim before the end of the safe harbor period. On September 4, 2025, the Debtors filed the First Sanctions Motion.

Debtors Detail Their Injuries in Topping Declaration, As Directed

13. On September 5, 2025, the Court issued a scheduling order directing the Debtors by September 12, 2025 to “file a detailed declaration setting forth the amount of damages and expenses it claims resulted from the alleged sanctionable conduct,” and giving Midas Green until 5:00 p.m. on September 19, 2025 to file a response to the First Sanctions Motion. *See* Docket No. 1609.

14. On September 12, 2025, the Debtors filed the Declaration of Charles R. Topping (the “**Topping Declaration**”) identifying the millions of dollars in fees and expenses incurred by the Debtors through September 12, 2025 as a result of Midas Green’s sanctionable conduct, and projecting that substantial additional fees and costs would be incurred if Midas Green did not relent on its vexatious litigation. *See* Docket No. 1641. Since September 12, 2025, records filed with this Court indicate that in fact the Debtors incurred at least an additional \$480,000.00 relating to Midas Green’s frivolous claims (the “**Post-Topping Declaration Fee Records**”). *See* Quinn Emanuel Urquhart & Sullivan, LLP’s Fifth and Final Application for Payment of Compensation and Reimbursement of Expenses for the Period September 1, 2025, through January 14, 2026 [Docket No. 2324]; *see also* Stris and Maher LLP’s Fifth and Final Application for Payment of Compensation and Reimbursement of Expenses for the Period August 26, 2024, through January 31, 2026 [Docket No. 2294].

15. Midas Green filed an opposition to the First Sanctions Motion on September 19, 2025. *See* Docket No. 1662. On September 23 and 24, 2025, the Court held a hearing (the “**Midas Claims Hearing**”) on the Claims Objection, Summary Judgment Motion, Estimation Motion, and First Sanctions Motion, including ancillary pleadings filed in relation to the foregoing. During the Midas Claims Hearing then-counsel for the Debtors indicated it would file a separate sanctions motion. Among other things, Debtors’ counsel apparently sought to ensure that the sanctions motion that was served on Midas Green was identical to the sanctions motion that was filed on the docket. *See In re Rhodium Encore LLC*, Case No. 24-90448 (ARP) [Docket No. 1719] September 24, 2025 Hr’g Tr. at 95:1-96:12. The Court advised that it would “hold in abeyance the sanctions motion,” which would “be considered at an appropriate time in the future,” and in the meantime would rule on the other pending Midas Green disputes. *Id.* at 94:16-18.

Second Sanctions Motions Filed; Objection Sustained and Appeal Dismissed

16. Consistent with counsel’s statement at the September 24, 2025 hearing, on October 14, 2025, the Debtors filed the Second Sanctions Motions to confirm compliance with the statutory safe harbor. The Second Sanctions Motion filed at docket number 1793 again argued that Midas Green’s conduct warranted sanctions under Bankruptcy Rule 9011 and the Patent Act. *See* Second Sanctions Motion [Docket No. 1793] at ¶¶ 8-19. The Second Sanctions Motion filed at docket number 1794 argued that the Court should impose sanctions against Midas Green pursuant to section 105 of the Bankruptcy Code and the Patent Act. *See* Second Sanctions Motion [Docket No. 1794] at ¶¶ 10-25.

17. On October 28, 2025, the Court issued an order [Docket No. 1879] (the “**Midas Claims Order**”) and memorandum opinion [Docket No. 1878] (the “**Midas Claims Opinion**”) and together with the Midas Claims Order, the “**Orders**”) sustaining the Claims Objection, granting the relief requested in the Estimation Motion and estimating the Midas Claims at \$0.00, and finding the Summary Judgment Motion moot.

18. On November 4, 2025, Midas Green filed its opposition to the Second Sanctions Motions. *See* Docket Nos. 1962-1963. On November 11, 2025, Midas Green filed the Appeal of the Orders to the United States District Court for the Southern District of Texas (the “**S.D. Tex. District Court**”). On November 12, 2025, this Court entered an order abating the Second Sanctions Motions (the “**Abatement Order**”) pending final resolution of the Appeal.

19. Although Midas Green’s appellant designation was due on November 25, 2025, that date came and went without any pleading in the Appeal. Moreover, on February 20, 2026, Midas Green moved to voluntarily dismiss the appeal. *See Rhodium Enterprises Inc. v. Midas Green Techs., LLC*, Civil Action No. 4:25-cv-5413 [Docket No. 6]. And on February 23, 2026,

the S.D. Tex. District Court dismissed the Appeal, thus resolving the findings at issue in the Midas Claim Order and Midas Claims Opinion. *See Rhodium Enterprises Inc. v. Midas Green Techs., LLC*, Civil Action No. 4:25-cv-5413 [Docket No. 7].

REQUEST FOR RELIEF

20. The Wind Down Debtor respectfully asks the Court to restore to the calendar, and grant, the Second Sanctions Motions. As discussed in detail in the Second Sanctions Motions, which, along with the Topping Declaration, are incorporated by reference herein, the patent claims asserted by Midas Green pre-petition were frivolous and warranted the imposition of sanctions from the beginning. *See* First Sanctions Motion at ¶ 27; Second Sanctions Motion [Docket No. 1793] at ¶ 12; Second Sanctions Motion [Docket No. 1794] at ¶24. Even more egregiously, Midas Green filed, and insisted on pursuing, proofs of claim in this Court based on the same claims even after the District Court granted summary judgment against Midas Green pre-petition. This vexatious litigation by Midas Green cost Rhodium and its stakeholders millions of dollars in legal fees, which Midas Green should be required to reimburse as a sanction for its misconduct.

21. As described in the Topping Declaration, Midas Green's sanctionable conduct resulted in pre-petition fees and costs incurred by Debtors totaling more than \$5 million. *See* Topping Decl. ¶¶ 2-3. Post-petition the Debtors incurred at least an additional \$1.2 million responding to the frivolous Midas Green Claims, including \$755,988.72 through September 12, 2025, *see id.* ¶¶ 4-5, and approximately \$480,000.00 through the Effective Date. *See* Post-Topping Declaration Fee Records. The Wind Down Debtor respectfully asks the Court to grant the Second Sanctions Motions, and impose sanctions on Midas Green for the foregoing sums, plus the costs incurred by the Wind Down Debtor in renewing and continuing to prosecute the Second Sanctions Motions, which sums the Wind Down Debtor will detail and document upon the Court's request.

CONCLUSION

22. For the reasons described herein, the Wind Down Debtor respectfully asks the Court to restore the Second Sanctions Motions to the calendar, and for the reasons described herein and in the Second Sanctions Motions, respectfully asks the Court to grant the Second Sanctions Motions and order Midas Green to pay sanctions in the amounts identified in the Topping Declaration, and for the costs, including attorneys' fees, incurred by the Wind Down Debtor in connection with this Request and the Second Sanctions Motions, which will be documented upon the Court's request.

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Dated: April 7, 2026

Respectfully Submitted,

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/s/ Sarah Link Schultz

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CERTIFICATE OF SERVICE

I hereby certify that on April 7, 2026, 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

Exhibit A

ENTERED

February 23, 2026

Nathan Ochsner, Clerk

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

In re:
RHODIUM ENTERPRISES, INC.,

Debtors,

Vs.

Midas Green Technologies, LLC
Appellant

Civil Action No.: 4:25cv5413

Bankruptcy Case No. 24bk90448

**ORDER GRANTING MIDAS GREEN TECHNOLOGIES, LLC’S MOTION TO
VOLUNTARILY DISMISS APPEAL**

On this day, the Court considered Midas Green Technologies, LLC’s Motion to Voluntarily Dismiss Appeal pursuant to Federal Rule of Appellate Procedure 42(b). The Court finds that the Motion is well taken and should be granted.

IT IS THEREFORE ORDERED that:

1. The appeal in Civil Action No. 4:25-cv-5413 is hereby DISMISSED pursuant to Federal Rule of Appellate Procedure 42(b).
2. Unless otherwise ordered, each party shall bear its own costs.
3. The Clerk is directed to close this case.

SIGNED on February 23, 2026.



HONORABLE GEORGE C. HANKS JR.

UNITED STATES DISTRICT COURT JUDGE