Docket #0106 Date Filed: 08/10/2026

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-1(b)

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Proposed Attorneys for Debtors

In re:

POOLIN TECHNOLOGY PTE. LTD., *et al.*[1]

Debtors.

Chapter 11

Case No. 26-18325 (EJO)

(Jointly Administered)

Judge: Eamonn J. O'Hagan

Hearing Date: August 14, 2026

DEBTORS' OBJECTION TO CREDITOR LIN LIANG'S APPLICATION FOR ORDER SHORTENING TIME

Poolin Technology Pte. Ltd. ("Poolin") and its affiliated debtors and debtors-in-possession, Lonestar Dream Inc. ("LSD") and Lonestar Taproot, LLC ("LST" and collectively, the "Debtors"), respectfully submit this objection (the "Objection") to the *Application for Order Shortening Time* [Docket No. 104] (the "Application") filed August

[1] The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtors' federal tax identification number, are: Poolin Technology Pte. Ltd., a Singapore Private Limited Company; Lonestar Dream Inc. (5105); and Lonestar Taproot LLC (4118). The location of the Debtors' service address for purposes of these Chapter 11 Cases is: c/o Michael DuFrayne, CRO, 2564 US Highway 1, PMB #16884166, Lawrence, NJ 08648.

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10, 2026 by creditor Lin Liang ("Mr. Liang"). The Application asks this Court to shorten the notice period required by D.N.J. LBR 9013-2 and to hear Mr. Liang's *Motion to Appoint a Chapter 11 Trustee Pursuant to 11 U.S.C. § 1104(a)* [Docket No. 103] (the "Trustee Motion") on August 14, 2026, a mere **four days' notice**. In support of this Objection, the Debtors respectfully state as follows:

PRELIMINARY STATEMENT

1. The Application seeks a determination of the most drastic remedy in a chapter 11 case—displacement of the Debtors' management by an outside trustee—on a **mere four days' notice** so that it may arbitrarily be heard at the same time as the Debtors' bidding procedures, and it offers no valid reason for doing so. Mr. Liang's sole justification is that he "is concerned with the Debtors' pre-petition actions and believes a third-party investigation must occur immediately." Mr. Liang has in no way articulated "cause." While this Objection addresses only the Application and not the merits of the Trustee Motion, it is noted that the Trustee Motion rests entirely on unproven allegations of *pre-petition* conduct by the Debtors' former principal alleged to have occurred years ago, between 2021 and 2022. Nothing about a years-old dispute requires that a trustee be appointed on four days' notice, and Mr. Liang's stated goal of "an investigation" is not advanced by depriving other parties due process via a fair opportunity to respond. It is abundantly clear from the face of Mr. Liang's own motion papers that the record does not contain the facts necessary to meet the extremely high burden for appointment of a chapter 11 trustee. This is why he leans heavily on the need for an investigation. There are simply no grounds to have such a request heard on four days' notice, and the Application certainly does not articulate any.

2. The Trustee Motion is based on alleged facts that are disputed and shall be easily disproven by the Debtors. Four days is simply not enough time for the Debtors to prepare for a plenary hearing. For the avoidance of doubt, the determination of the Trustee Motion is not in any way connected to (or a prerequisite of) the Debtors' arm's length sale process conducted by the Debtors' independent Chief Restructuring Officer. The hearing on August 14, 2026, is merely for the bidding procedures not the final sale hearing. In any event, there is no basis in law or fact to tie the Trustee Motion to sale proceedings, whether such proceedings be approval of the sale or a mere hearing on the Debtors' proposed bidding procedures. Accordingly, the extreme prejudice to the Debtors and other parties in interest cannot be overstated because it robs the Debtors of a fair opportunity to respond to the Trustee Motion and distracts the Debtors from their value-maximizing sale process. For these reasons, the Application must be denied.

BACKGROUND

3. On July 22, 2026 (the "Petition Date"), the Debtors each filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

4. Additional factual background regarding the Debtors' current and historical business operations and the events leading to these Chapter 11 Cases is set forth in the *Declaration of Michael DuFrayne in Support of Debtors' Chapter 11 Petitions and First Day Motions* [ECF No. 2] (the "First Day Declaration"), which is incorporated by reference herein.

5. Since November 2025, the Debtors have operated under the guidance of an independent Chief Restructuring Officer, Michael DuFrayne of DuFrayne LLC. Neither Mr. DuFrayne, his firm, nor any of its professionals had any involvement or connection

with the Debtors or their owners, directors, officers, or managers before his engagement; they are independent crisis managers. See DuFrayne Declaration submitted in support of Motion for approval of bid procedures.

6. On the Petition Date, the Debtors filed the *Debtors' Motion for Entry of (I) an Order (A) Approving Certain Bidding Procedures and the Form and Manner of Notice Thereof, (B) Authorizing the Debtors to Designate the Stalking Horse Bidder, (C) Scheduling an Auction and a Hearing on the Approval of the Sale of Substantially All of the Debtors' Assets, (D) Authorizing the Debtors to Enter into the Purchase Agreements, (E) Establishing Certain Assumption and Assignment Procedures and Approving the Manner of Notice Thereof, and (F) Granting Related Relief; and (II) an Order (A) Authorizing the Sale of Substantially All of the Debtors' Assets Free and Clear of Encumbrances, (B) Approving the Assumption and Assignment of the Potentially Assigned Contracts, and (C) Granting Related Relief* [Docket No. 12] as amended on July 23, 2026 [Docket No. 30] (collectively, the "Bidding Procedures Motion").

7. On August 10, 2026, Mr. Liang filed both the Trustee Motion and the Application. The Trustee Motion is a fourteen-page brief supported by an eight-page certification and exhibits, alleging that the Debtors' former principal, Zhibiao Pan, orchestrated pre-petition fraud and unauthorized transfers of cryptocurrency, including bitcoin Mr. Liang deposited with Poolin between May 2021 and June 2022. The Application, by contrast, is a single page. It states only that Mr. Liang "is concerned with the Debtors' pre-petition actions and believes a third-party investigation must occur immediately," and arbitrarily concludes that the Trustee Motion should be heard the same day as the Bidding Procedures Motion. It is not supported by any facts or law.

ARGUMENT

A. Shortened Time Requires "Cause," and the Court Must Weigh Prejudice to the Debtors Against Any Reason for Expedition.

8. The default rule in this District is that a motion must be filed and served at least 21 days before the hearing, with any opposition due 7 days before and any reply 4 days before the hearing. D.N.J. LBR 9013-2(a).

9. A request to shorten time is governed by Federal Rule of Bankruptcy Procedure 9006(c)(1), which permits a court to reduce a notice period only "for cause." Fed. R. Bankr. P. 9006(c)(1). The Third Circuit requires the Court to weigh the prejudice to parties entitled to notice against the movant's reasons for proceeding on an expedited basis, with prejudice the primary consideration. *In re Philadelphia Newspapers, LLC*, 690 F.3d 161 (3d Cir. 2012) (granting expedited consideration on distinguishable facts where the expedited matter was the debtors' objection to administrative-expense requests of roughly $1.8 million, a discrete, sum-certain dispute the court described as small relative to the sale price, and the responding party had twelve days' notice). Due process requires notice and a meaningful opportunity to be heard, measured by whether the responding party has adequate time to prepare a meaningful response. *See Philadelphia Newspapers*, 690 F.3d at 171-72**.** Here the balance is purely one-sided. Mr. Liang offers no exigency, while the prejudice to the Debtors is extreme and concrete. Appointment of a trustee requires proof by clear and convincing evidence on a developed evidentiary record, and four days is not enough time to assemble that record while the Debtors are simultaneously prosecuting a value-maximizing sale process with a hearing this Friday. *See In re G-I Holdings, Inc.*, 295 B.R. 502, 508 (D.N.J. 2003), aff'd, 385 F.3d 313 (3d Cir. 2004).

10. Further, there is nothing requiring the Trustee Motion to be heard on August 14, 2026. Mr. Liang's only reason for that date is a desire to have the trustee question resolved before the sale. However, the hearing is for the approval of Bidding Procedures and not the final approval of the sale. As explained more fully in the Debtors' Reply to the Letter Objection of Mr. Liang to the Bidding Procedures Motion [Docket No. 98], which is filed substantially contemporaneously herewith, the sale timeline is driven by an option that expires September 30, 2026, and the Trustee Motion neither halts the sale nor loses anything by being heard on ordinary notice. The estate's causes of action are expressly excluded from the sale and fully preserved. The Court should deny the Application and require the Trustee Motion to proceed on the 21-day notice that D.N.J. LBR 9013-2 prescribes. D.N.J. LBR 9013-2.

11. The only concrete reason the Application gives for the August 14 date is Mr. Liang's wish to have the trustee question resolved in tandem with the sale. There is no legal or factual link between the two. Approval of a trustee is not a precondition to, and does not halt, the sale process. *See generally, G-I Holdings, Inc.*, 295 B.R. 502. The estate's causes of action, including any avoidance and other claims arising from the alleged pre-petition transfers, are expressly excluded from the sale and are fully preserved for pursuit before or after a sale. *See* Amended Exhibits to Asset Purchase Agreements [Docket No. 100], Exhibit C [Excluded Assets].

12. Stated simply, the Application identifies no exigent circumstance. Its entire stated basis is a generalized "concern[]" with the Debtors' "pre-petition actions" and a belief that "a third-party investigation must occur immediately," coupled with a preference

to be heard on the same day as the bidding-procedures motion. This preference is entirely arbitrary and does not come close to providing cause to override the 21-day notice period.

13. The conduct the Trustee Motion complains of is entirely pre-petition and years old, namely alleged transfers and misrepresentations spanning 2021 and 2022. Trustee Motion at 4-5. Conduct that allegedly occurred years ago does not create a trumped-up emergency that an expedited hearing can properly address. To the extent Mr. Liang suggests that cryptocurrency "can disappear quickly or [be] transferred overseas," the Application offers no evidence that any estate asset is presently at risk. *See* Trustee Motion at 6. The Debtors operate under an independent CRO and no payments or transfers may be authorized without the CRO's approval.

14. The Debtor's cash is in a DIP account at Fulton Bank in New Jersey and only the CRO has authorization rights regarding transfer out of that account. The Debtors are required to report to the UST and the committee relative to this DIP account. The remaining cash of the Debtor is in an Archer & Greiner IOLTA account as explained to the Court during the first day hearings (the proceeds from Poolin's Mixin wallet account). Those funds will not be touched absent an Order of this Court. The remaining assets of the Debtors consist of large, not readily movable equipment at the Tarbush and Pyote sites and intangible power rights. No assets of the Debtor are at risk and the committee will have plenty of time to examine potential causes of action and meet with the Debtors and professionals to discuss same.

15. Likewise, Mr. Liang's stated objective, an investigation, is not served by shortening time. An investigation is developed on a record; it is not advanced by depriving the Debtors of the time to respond.

16. If anything, the time-sensitivity in this case cuts *against* expedition of the Trustee Motion. While time is of the essence with regard to the sale, a trustee motion resting on unproven allegations of pre-petition misconduct is precisely the kind of matter that should be resolved in the ordinary course. *See G-I Holdings, Inc.*, 295 B.R. at 511 (indeed, appointment of a trustee "must be considered a last resort," and allegations of this kind "may be test[ed] and ultimately resolve[d] … in the other pending proceedings."). There is a powerful presumption in favor of the debtor in possession. Appointment of a trustee is an "extraordinary remedy," and "there is a strong presumption that a debtor should remain in possession." *In re Salem Consumer Square OH LLC*, 629 B.R. 562, 575 (Bankr. W.D. Pa. 2021) (denying conversion, dismissal, and appointment of a chapter 11 trustee where the creditor alleged conflict of interest of the debtors' leadership, evidenced by insurance checks exceeding $9 million, payable to the debtor and its former owner, received solely by the former owner and never used to repair property or pay contractors). As the controlling District of New Jersey authority holds, appointment "should be the exception, rather than the rule," because the debtor in possession is a fiduciary for creditors and is ordinarily best suited to manage the estate. *G-I Holdings, Inc.*, 295 B.R. at 508 (citations omitted)**.** Appointment "must be considered a last resort." *Id.* at 511 (citations omitted).

17. A motion of that gravity is decided on a developed evidentiary record, not on four days' notice. To require the Debtors to marshal evidence in rebuttal of any "clear-and-convincing" evidence in four days—while simultaneously prosecuting the proposed sale procedures motion— would unquestionably deny them the meaningful opportunity to be heard that due process requires.

18. The inherent prejudice to the Debtors here is confirmed by the practical reality of a trustee fight. Litigating a contested section 1104 motion entails significant discovery and briefing and ordinarily unfolds over a period of more than four days absence a showing of extreme defalcation of duties by a debtor in possession. No such showing has been attempted let alone established here by Mr. Liang. Compressing a hearing here does not streamline that process; it wholly denies the Debtors the ability to meet it. Because the prejudice to the Debtors is substantial and Mr. Liang's reasons for expedition are nonexistent, the balance the Third Circuit prescribes weighs decisively against shortening time.

CONCLUSION

19. For the foregoing reasons, the Debtors respectfully request that the Court deny the Application, decline to hear the Trustee Motion on shortened time, require the Trustee Motion to proceed on the notice prescribed by D.N.J. LBR 9013-2, and grant such other and further relief as is just and proper.

Dated: August 10, 2026

ARCHER & GREINER, P.C.

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