

United States Bankruptcy Court
Southern District of Texas
Houston Division

In re:
Linqto, Inc., et al.,
Debtors.
Chapter 11
Case No. 25-90186 (ARP)
(Jointly Administered)

United States Courts
Southern District of Texas
FILED

AUG 11 2025

Objection of John Murray to Debtors' Motion for Entry of an Order
Authorizing Use of Escrowed Ripple Share Proceeds and Other Similar Funds

To the Honorable Judge Alfredo R Perez:

I, John Murray, a beneficial owner of units in Special Purpose Vehicles (SPVs) formed and managed by Linqto Inc., respectfully submit this objection to the Debtors' motion titled:

"Debtors' Motion for Entry of an Order (1) Authorizing the Use of Escrowed Ripple Share Proceeds, (II) Granting Related Relief"

Filed as **Docket No. 79**, scheduled for hearing on August 5, 2025.

As a party in interest under 11 U.S.C. § 1109(b), I object to the use of escrowed funds derived from Ripple's repurchase of pre-IPO shares, for the reasons set forth below:

1. The Funds Do Not Belong to the Estate

The approximately \$18.8 million at issue came from Ripple's repurchase of shares held within SPVs that were purchased by customers like myself. Linqto acted as the manager and facilitator of these SPVs, not the beneficial owner of the underlying shares. The escrow account was created to hold repurchase proceeds on behalf of the rightful investors - not to fund the Debtors' bankruptcy proceedings. These funds are not part of the Debtors' estate.

2. Ownership Has Not Been Legally Determined

No court has ruled that Linqto or its affiliates have a legal right to these escrowed funds. Authorizing their use prior to a determination of ownership would violate the due process rights of investors who have legitimate claims to this money. Such a decision is premature and prejudicial.

3. Using Customer Funds to Pay Legal Fees is a Breach of Trust

Permitting the Debtors to use these proceeds for administrative or legal expenses amounts to a betrayal of fiduciary duty owed to customers. The repurchase funds were intended to be returned to investors, not used to fund a corporate defense in bankruptcy. This motion, if granted, unjustly converts customer-designated assets into general estate property.

4. Sets a Dangerous Precedent for All SPV Investors

Granting this motion could pave the way for similar treatment of other SPV assets - including those tied to Ripple, Circle, and other pre-IPO shares held by customers. It would erode investor protections and undermine confidence in SPV structures generally, with repercussions far beyond this specific case.

5. Investors Would Become Double Victims

Investors have already suffered from Linqto's operational collapse and the lack of access to their assets. Now, the same investors are at risk of having the proceeds from those assets used against them - to fund the legal process that may deny them recovery. This is inequitable and unacceptable.

6. The Escrow Was Created to Protect Investors

The express purpose of placing the repurchase funds into escrow was to ensure proper distribution to SPV participants. Approving this motion would contradict the fundamental purpose of the escrow and threaten the integrity of similar investor protections going forward.

7. Debtors Have Access to Other Funding

The Debtors already have access to up to **\$60 million in DIP financing**, as approved by the Court. If funds are needed for operating or legal expenses, those resources should be drawn from first - not investor-protected funds. The Debtors' argument of financial necessity is unpersuasive given this alternative.

Conclusion

For the reasons stated above, I respectfully request that the Court deny the Debtors' Motion to use the escrowed Ripple share proceeds (Docket No. 79) until ownership of those funds is properly adjudicated and investor claims are resolved.

Respectfully submitted,



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