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

In re:	Chapter 11
LINQTO TEXAS, LLC, *et al.*,[1]	Case No. 25-90186 (ARP)
	(Jointly Administered)
Debtors.	**Ref. Docket No. 804**

OFFICIAL COMMITTEE OF UNSECURED CREDITORS' OBJECTION TO THE EMERGENCY MOTION OF H. GAVIN SOLOMON

The Official Committee of Unsecured Creditors (the "**Committee**") appointed in the Chapter 11 cases of Linqto Texas, LLC and its affiliated debtors (collectively, the "**Debtors**") submits this objection (this "**Objection**") to the *Emergency Motions By a Shareholder for Orders and Declarations to (i) Classify Unitholders as Equity Security Holders Not Creditors; (ii) Direct Reconciliation of the Debtors Filings Regarding Creditor Count and Liability Ranges Misstated as 10,001-15,000 Creditors Representing Liabilities of $500,000-$1 Billion; (iii) Declare That the Debtors Were Solvent as of the Petition Date; and (iv) Authorize and Declare The Convening of a Shareholders' Meeting of Linqto, Inc. for the Election of Directors* [Docket No. 804] (the "**Motion**")[2] filed by H. Gavin Solomon ("**Solomon**" or "**Movant**").[3] In support of this Objection, the Committee respectfully states as follows:

[1] The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Linqto, Inc. [0332]; Linqto Liquidshares, LLC [8976]; Linqto Liquidshares Manager, LLC [8214]; and Linqto Texas, LLC [5745]. The location of the Debtors' service address is: P.O. Box 2859, Sunnyvale, CA 94087.

[2] Capitalized terms used in this Objection but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

[3] It is unclear in what capacity Mr. Solomon files this motion. Mr. Solomon, at times, appears to suggest he is acting for his corporate entity or entities rather than himself. *See* Proposed Order ¶ 8 ("Upon the motion of Conrad Corporation Pty Limited ATF Conrad Discretionary Trust (sole Director being the Movant)"). Mr. Solomon does not directly plead that he, himself, owns equity as opposed to owning equity though corporate entities. *See* Motion

PRELIMINARY STATEMENT

1. Mr. Solomon portrays himself, in his filings, as a *pro se* shareholder, uninvolved with management, simply trying to get a return on his investment by raising issues with this Court. This is not accurate.

2. Mr. Solomon is, in fact, a former director of Linqto. He has had significant involvement in Linqto for years, since selling his business to Linqto in 2019 – and then (while on the board through 2020) successfully (and, quietly) convincing Linqto to sell it back to him. He then promptly defaulted on his debt to Linqto arising from this sale. For years he has aggressively sought to pressure the company into assisting him in selling a substantial portion of his Linqto equity. He sought to return to Linqto's board in 2022. Mr. Solomon was a board observer on the Petition Date, according to the Debtors' first day filings. The Committee is aware of incidents of Mr. Solomon's direct involvement in issues that are a subject of the Committee's investigation. Mr. Solomon is familiar with the business of private securities – he sold (and repurchased) his business that did so. Mr. Solomon has had *extensive* contact with Linqto and its management for years.

3. In short, Mr. Solomon is not a simple *pro se* passive investor who is simply another victim of the Debtors' pre-petition fraud (under prior management). Although Mr. Solomon expresses concern that potential litigation targets are "creditors" and this poses some unexplained conflict despite the fact that none of those creditors are on the Committee (*see* Motion at ¶¶ 129-136), Mr. Solomon himself is a potential litigation target.

¶15(a) ("his personal entities held/owned ~9.58% of Linqto's common stock[.]"). The Committee notes that while Mr. Solomon may represent himself *pro se*, a corporation must appear through counsel. *See In re Cash Media Sys., Inc.*, 326 B.R. 655, 673 (Bankr. S.D. Tex. 2005) (a corporation may not appear *pro se*, or through its officers, in Texas). Mr. Solomon has previously retained counsel with respect to his interactions with Linqto pre-petition and, thus, is capable of doing so.

4. Mr. Solomon's goal is simply to seize securities customers invested in to make good on his failed investment in Linqto. *See* Docket No. 701, ¶ 79 (Movant asserting that "Shareholders should be entitled to participate in some manner in [the Debtors'] assets rather than solely Unitholders [i.e., customers]", Ex. B. (Movant asserting, in email to Debtors' counsel, that "Shareholders should be entitled to participate in some manner in" the "$1+B of assets" allegedly in the Debtors' estate). In short, Mr. Solomon wishes to profit from the Debtors' fraud. However, he has put forward no coherent legal argument *why* he should be permitted to do so. None exists. Nor can Mr. Solomon claim ignorance as to how a private securities market operates to assert that he believed that his equity in Linqto gave him access to the value of customer assets – unless he wishes to concede he was aware of Linqto's pre-petition fraud.

5. This Motion is merely another part of Mr. Solomon's campaign to make Linqto's customers, who invested in other companies, bear his losses from investing in Linqto. Mr. Solomon is not content to wait for the appropriate time to litigate plan issues: after a plan is filed, at a hearing to consider confirmation of that plan. His attempts to pre-litigate claim classification, and request for a free-floating decree that the Debtors are solvent, are premature, improper, and should be denied.

6. Mr. Solomon's claim that customers are not eligible to sit on the Committee is without foundation and meritless. His request that the Court order a shareholder meeting is highly irregular and legally groundless – but, buried in the request for a shareholder meeting is Mr. Solomon's true request: that the Debtors be prohibited from continuing with the plan process. Combined, they reveal Mr. Solomon's true purpose: seeking to remove any estate fiduciary who stands between him and his goal of plundering customer assets, and to delay and obstruct these

bankruptcy proceedings in support of that goal. This Court should see Mr. Solomon and his tactics for what they are.

7. For the following reasons, this Court should deny the Motion.

BACKGROUND

8. On July 7, 2025 (the "**Petition Date**"), the Debtors commenced their voluntary cases under Chapter 11 of the Bankruptcy Code. The Debtors are authorized to continue to operate their businesses and manage their assets as debtors-in-possession pursuant to Bankruptcy Code Sections 1107(a) and 1108. No trustee or examiner has been appointed in this case.

9. On July 18, 2025, the Office of the United States Trustee (the "**U.S. Trustee**") appointed the Committee pursuant to Bankruptcy Code Section 1102. [Docket No. 98].

10. Mr. Solomon appears to have been involved in Linqto for years, and has filed various pleadings in this case on a variety of issues.

11. According to the Motion, Mr. Solomon is a major shareholder of Linqto, Inc. via various entities, purportedly holding an aggregate of 9.58% of all Linqto, Inc. common stock as of March 13, 2025. Mot. ¶ 15. Mr. Solomon asserts he has continuously held an equity interest in Linqto, Inc. since January 2019. *Id.*

12. Mr. Solomon has filed several pleadings in this case: objecting to the classification of Linqto customers as creditors (Docket Nos. 388, 448), joining in the motion to form an official equity committee (Docket No. 701), and objecting to the global settlement (Docket No. 735). The Motion at issue largely regurgitates Mr. Solomon's previous (unsuccessful) arguments.

13. The Motion requests declarations that (a) "Unitholders," – i.e., Linqto customers who invested in private issuers via the platform – are properly classified as equity holders of the Debtors, and therefore cannot sit on the Committee and do not have "claims" (as defined in the

Bankruptcy Code) against the estate; (b) alternatively, if customers are treated as creditors, their recovery should be limited to the dollar amount of their original investment; (c) the Debtors misstated the approximate number of creditors and total liabilities in their petitions; (d) the Debtors were solvent as of the Petition Date; and (e) Linqto, Inc. is authorized and compelled to hold a shareholder meeting for the purpose of electing directors. Mot. at 2.

14. The Motion further requests (i) the Court establish a process and briefing schedule to adjudicate whether customers are equity holders rather than creditors and "any solvency-related determinations relevant to Restructuring Plan treatment"; and (ii) relief from the automatic stay to hold the shareholder meeting "solely for election of directors, with no effect on estate property or DIP financing." *Id.* at 3.

OBJECTION

15. The Motion seeks extraordinary relief that is both procedurally premature and substantively improper. Mr. Solomon attempts to circumvent the firmly-established plan process by urging the Court to adjudicate issues reserved for the confirmation stage before a plan or disclosure statement has even been filed. His requests not only contravene the statutory framework governing Chapter 11 proceedings but also threaten to disrupt the orderly administration of this case and the rights of other stakeholders. The Court should deny the relief requested in the Motion.

I. The Motion Constitutes A Premature Objection To Confirmation Of A Plan That Has Not Been Filed.

16. The Bankruptcy Code and Rules establish a robust framework for confirming a plan and addressing objections that a plan does not meet the Bankruptcy Code's requirements. The Court must hold a hearing on plan confirmation, and any party in interest may object. 11 U.S.C. § 1128(a)-(b). Objections must be filed within the time set by the court, at least 28 days ***after*** notice of filed plan. *See* Fed. R. Bankr. P. 2002(b)(2), 2002(d)(6), 3020(b).

17. At the confirmation hearing, the court determines whether the plan meets all section 1129 requirements, including (among other things) whether plan recoveries are superior to those under a Chapter 7 liquidation (§ 1129(a)(7)), the plan is fair and equitable and conforms to the absolute priority rule (§ 1129(b)), the plan is feasible and was proposed in good faith (§§ 1129(a)(3), (11)), and claims and interests are properly classified (§§ 1229(a)(1), 1122-23). The Motion improperly asks the Court to address such confirmation issues before a plan has even been filed.

18. First, at the forefront of the Motion (and Mr. Solomon's previously filings) is his argument that customers cannot be classified as creditors. Mr. Solomon concedes, as he must, that classification of claims and interests are plan issues, yet seeks an order establishing "a prompt procedure to adjudicate final classification for Restructuring Plan purposes." Mot. ¶ 73 (also noting that "11 U.S.C. § 1123 and 1129 govern the classification and treatment of claims and interests in Chapter 11 restructuring plans"); *see also* Mot. ¶ 23 ("The Movant reserves all rights regarding classification and treatment, ***which are matters for adjudication in connection with Restructuring Plan proceedings***.") (emphasis added). But no plan or disclosure statement has been filed. Mr. Solomon's requests for adjudication of claims classification are properly lodged at the confirmation stage, and thus are not ripe. *See Lower Colorado River Authority v. Papalote Creek II, L.L.C.*, 858 F.3d 916, 925 (5th Cir. 2017) ("A claim is not ripe if it depends upon 'contingent future events that may not occur as anticipated, or indeed may not occur at all'") (quoting *Thomas v. Union Carbide Agric. Prods. Co.*, 473 U.S. 568, 580-81 (1985)). The

Movant's attempt to pre-litigate claim classification, an issue expressly reserved for confirmation, is thus improper and should be denied.[4]

19. Likewise for the Movant's request for a declaration regarding the Debtors' alleged solvency. Mot. ¶¶ 1(g), 87-100. Solvency, like claim classification, is not at issue in any ongoing contested matter.[5] Here again, Mr. Solomon concedes that issues related to solvency are plan issues yet seeks, prior to the filing of a plan, "that solvency be adjudicated within these proceeding [*sic*] on a prompt schedule so that the Restructuring ***Plan feasibility, classification and stakeholder rights reflect the Bankruptcy Code's priority scheme***." *See* Mot. ¶ 87 (emphasis added); *see also id.* ¶¶ 88, 98(a). In other words, Mr. Solomon seeks to adjudicate, now, issues including plan feasibility, the best interests test, and the absolute priority rule which are plan requirements properly addressed at confirmation under the Bankruptcy Rules. Mr. Solomon's requests with respect to solvency are procedurally improper and unripe for adjudication, and must therefore be denied.

II. The Committee Is Appropriately Constituted Of Persons That Were Listed By The Debtors As, And In Fact Are, Unsecured Creditors.

20. Mr. Solomon argues, as he has before (*see generally* Docket Nos. 388, 448), that customers are not creditors but equity holders and therefore that the U.S. Trustee's constitution of the Committee violates the Bankruptcy Code. *See* Mot. ¶¶ 54-79. As discussed above, the proper classification of customers as creditors or equity holders is now a plan confirmation issue.[6]

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[4] Because there is no plan, the claim classification he objects to is only present in the global settlement, which was already approved by the Court over Mr. Solomon's (untimely) objection. [*See* Docket Nos. 704, 735]. In other words, as of right now this objection is directed at nothing, or is moot.

[5] The Debtors' (potential) solvency ***was*** implicated by the motion for appointment of an official committee of equity holders. [Docket No. 574]. Analogous to the settlement, the Court denied the motion for an official equity committee over Mr. Solomon's joinder. [*See* Docket Nos. 701, 779].

[6] To set the record straight, however, Mr. Solomon's claim that customers are "equity holders" is sophistry. Mr. Solomon notes that customers indirectly invested in securities – and, thus, he concludes that they are "equity holders" just like himself. But, of course, Mr. Solomon invested in Linqto, Inc., while customers invested in

Therefore, we address the Movant's argument that customers are ineligible to sit on the Committee under section 1102. *See, e.g.*, Mot. ¶ 66.

21. An official committee of unsecured creditors is composed of "creditors holding unsecured claims" and ordinarily consists of persons holding some of the largest unsecured claims. 11 U.S.C. § 1102(b)(1). A "creditor" is an "entity that has a claim against the debtor" that arose prepetition, an "entity that has a claim against the estate" under section 348(d), 502(f), 502(g), or 502(i), or an entity that "has a community claim." 11 U.S.C. § 101(10). Claim is defined as "a right to payment" or a "right to an equitable remedy for breach of performance if such breach gives rise to a right to payment," in each case regardless of whether such claim is "reduced to judgement, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured." 11 U.S.C. § 101(5); *see also Johnson v. Home State Bank*, 501 U.S. 78, 83, 111 S. Ct. 2150, 2154 (1991) (noting that "Congress intended by this language [in section 101(5) of the Bankruptcy Code] to adopt the broadest available definition of 'claim.'"); *United Ref. Co. v. Dorrion*, 688 F. Supp. 3d 558, 563 (S.D. Tex. 2023) ("The Code's definition of claim is of its nature quite broad, having replaced a much narrower one from the 1898 Bankruptcy Act, which the Code supplanted in 1978"). Claims are unsecured except to the extent they are "secured by a lien on property in which the estate has an interest." *See* 11 U.S.C. § 506(a).

22. *First,* customers are eligible to sit on the Committee because they hold disputed unsecured claims. To be clear: the Committee's position is (and has been) that "customer securities" are held in a constructive or resulting trust for customers, directly or indirectly, rather than customers having a mere unsecured claim based on their customer accounts. But the Debtors

other businesses that are not currently in chapter 11 proceedings (and those that invested in third party companies that did file for bankruptcy, like BlockFi Inc., were "wiped out"). When Lehman Brothers failed, equity holders in Lehman Brothers were wiped out – but customers who held equities through Lehman Brothers' broker-dealer promptly received their securities back. The Committee expects to litigate this issue at plan confirmation.

dispute that position: customers were listed as unsecured creditors and the Debtors have never conceded otherwise. The Committee, the Deaton Parties, and the Debtors have proposed to settle those disputes via a plan. *See* Docket No. 704, Ex. A at 6, 9-10. But, consistent with that agreement, those issues have not yet been litigated – and, thus, the disputed unsecured claims remain.

23. Holders of disputed unsecured claims are eligible to sit on a creditor's committee. *See In re Laclede Cab Co.*, 145 B.R. 308, 309 (Bankr. E.D. Mo. 1992). In fact, it is routine. For example, there have been numerous cases where tort victims sat on a committee, despite that the debtors in those cases vigorously disputed liability. This case reflects the somewhat unusual situation that it is *customers* who dispute the status of their claims for the securities held in their account. However, creditors who may assert they are secured creditors are eligible to sit on a committee if the debtor has asserted they are unsecured and that issue has been unresolved. *See In re Seaescape Cruises, Ltd.*, 131 B.R. 241, 243 (Bankr. S.D. Fla. 1991). Here, the status of customers remains unresolved and (pursuant to the Term Sheet approved by this Court) neither the Debtors nor the Committee will seek to resolve customers' status prior to confirmation of a plan in this case. All customers are, thus, eligible to sit on the Committee due to the Debtors' view they are unsecured creditors, even if they themselves dispute that position.

24. *Second*, the Debtors' serial securities law violations and fraud against their customers gives rise to additional unsecured claims held by customers. Customers clearly did not receive the benefit of their bargain with the Debtors, and thus have colorable claims for breach of contract, which "squarely fit within the definition of 'claim' because, if proven, they would obligate" the Debtors "to pay money damages." *Vil v. Poteau*, 2013 WL 3878741, at *8 (D. Mass. July 26, 2013) (citing *In re Cont'l Airlines*, 125 F.3d 120, 133 (3d Cir. 1997).

25. If customers in fact have a property interest in the shares in which they invested, those investing in Ripple shares also have unsecured claims against the Debtors for conversion of their property sold in the Ripple tender offer. *See In re Gillespie*, 499 B.R. 726, 733-34 (Bankr. N.D. Cal. 2013) (finding that a cause of action for conversion was a "claim" within the definition of 11 U.S.C. § 101(5)), *rev'd and remanded on other grounds*, *In re Gillespie*, 516 B.R. 586 (B.A.P. 9th Cir. 2014).

26. Further, it is a component of the settlement that customers who invested in other securities will also not recover their full accounts: there will be an estimated 5% "shortfall" across the entire customer portfolio due to the costs of these cases – ***even if*** constructive trust was successfully litigated. Customers also have "claims" arising from excessive markups of issuer securities in which they invested, and private rights of action under the securities laws, most notably including recission claims.

27. Any or all of these are "claims" making customers "creditors" as defined in the Bankruptcy Code and thus eligible for Committee membership. *See* 11 U.S.C. §§ 101(10), 101(5), and 1102. A creditor who holds an unsecured claim is eligible to sit on an unsecured creditors' committee even if they *also* have a secured claim. *See In re Seaescape Cruises, Ltd.*, 131 B.R. 241, 243 (Bankr. S.D. Fla. 1991). Thus, so too may customers sit based on their unsecured claims even if constructive trust claims are ultimately successfully litigated.

28. Any way one looks at it, customers hold claims that render them eligible to sit on the Committee.

III. The Request For A Shareholder Meeting Is Improper And Intended To Impede The Plan Process.

29. Mr. Solomon's motion for a shareholder meeting is a surreptitious effort to cloak a request for a multi-month delay in these cases in sheep's clothing. It should be denied, because Mr. Solomon makes abundantly clear his goal is to delay these cases.

30. Mr. Solomon asks the Court not only to lift the stay to allow a shareholder meeting to occur, but also to ***order*** the convening of the shareholder meeting in the time and manner he prefers. Mot. ¶ 3; Proposed Order ¶ 8. For example, the meeting must be held "solely for election of directors" and within 45 days of the Proposed Order being entered. Mot. ¶ 3; Proposed Order ¶ 8. This alone would be an unprecedented interference in a debtor's internal governance, on request of a single shareholder, based upon no case law at all, relying instead only on the Court's section 105(a) powers.

31. At first blush, this Motion may read as harmless tilting at windmills. It is not. Buried in the proposed order – and unmentioned ***at all*** in the motion – is Mr. Solomon's real goal. The proposed order ***requires*** that "[t]he Debtors shall not present to any stakeholders, including creditors, shareholders or unitholders any proposed restructure plan or settlement for approval at least thirty (30) days after the Shareholders Meeting has been held[.]" Proposed Order ¶ 8(f). Mr. Solomon's goal is clear: Mr. Solomon seeks to use this request to delay the plan process while Mr. Solomon seeks to replace the board with new board members who will exclusively advocate for the interests of equity, rather than (as the Debtors expressed to Mr. Solomon) properly discharge their fiduciary duties ***to the estate***. Mr. Solomon offers no caselaw to support this extraordinary request.

32. It is worth noting again: *this is a fraud case*. The Committee has not moved for a trustee because of the Committee's conclusion that the Debtors have, through the appointment of

a CRO and through existing management being untainted by the Debtors' historical fraud thanks to the changeover in the c-suite early this year, made the changes necessary to properly carry out their duties as debtors-in-possession. The Committee is stridently opposed to efforts by parties who have potential involvement in this fraud from seeking to reassert control. Mr. Solomon's motion is, thus, a path only to more litigation costs – exclusively borne by customers – and delay. Mr. Solomon offers no basis why customers and creditors of Linqto should bear those costs.

CONCLUSION

WHEREFORE, the Committee respectfully requests that the Court: (i) deny the Motion and (ii) grant such other or further relief as the Court deems just and proper.

Dated: November 10, 2025
Houston, Texas

By: */s/ Mark Franke*

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CERTIFICATE OF SERVICE

I hereby certify that on November 10, 2025, a true and correct copy of the Objection to the *Emergency Motions By a Shareholder for Orders and Declarations to (i) Classify Unitholders as Equity Security Holders Not Creditors; (ii) Direct Reconciliation of the Debtors Filings Regarding Creditor Count and Liability Ranges Misstated as 10,001-15,000 Creditors Representing Liabilities of $500,000-$1 Billion; (iii) Declare That the Debtors Were Solvent as of the Petition Date; and (iv) Authorize and Declare The Convening of a Shareholders' Meeting of Linqto, Inc. for the Election of Directors* was served on all parties registered to receive electronic notice of filings in this case through the Court's CM/ECF system.

/s/ Ryan C. Wooten
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