

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

In re:

GREEN SAPPHIRE HOLDINGS, INC.,

Debtor.

Case Number 25-07412

Chapter 11

Honorable Jacqueline Cox

**Hearing date: June 24, 2025**

**Hearing Time: 1:00 p.m.**

**NOTICE OF MOTION TO DISMISS DEBTOR'S CHAPTER 11 CASE BY  
GLOBAL CAPITAL PARTNERS LLC AND ACCESS MANAGEMENT, S.A.S., INC.**

**TO: See attached list.**

**PLEASE TAKE FURTHER NOTICE** that on June 24, 2025 at 1:00 p.m. CDT we will appear before the Honorable Chief Judge Jacqueline P. Cox, or any Judge sitting in her place, either in the United States Bankruptcy Court for the Northern District of Illinois, Dirksen United States Courthouse, 219 S. Dearborn Street, Chicago, Illinois, 60604 or electronically as described below, and present the *Motion to Dismiss Debtor's Chapter 11 Case by Global Capital Partners, LLC and Access Management, S.A.S., Inc.*, a copy of which is attached. Only objections made in writing and timely filed and received will be considered by the Bankruptcy Court at such hearing.

**Important: Only parties and their counsel may appear for presentment of the motion electronically using Zoom for Government. All others must appear in person.**

**To appear by Zoom using the internet**, go to this link: <https://www.zoomgov.com/>. Then enter the meeting ID and passcode.

**To appear by Zoom using a telephone**, call Zoom for Government at 1-669-254-5252 or 1-646-828-7666. Then enter the meeting ID and passcode.

**Meeting ID and passcode.** The meeting ID for this hearing is 161 273 2896, and the passcode is 778135.

**If you object to this motion** and want it called on the presentment date above, you must file a Notice of Objection no later than two (2) business days before that date. If a Notice of Objection is timely filed, the motion will be called on the presentment date. If no Notice of Objection is timely filed, the Court may grant the motion in advance without calling it.

Dated May 29, 2025  
Chicago, Illinois

**DENTONS US LLP**

/s/ Robert E. Richards

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-and-

**DENTONS US LLP**

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*Counsel to Global Capital Partners, LLC and  
Access Management, S.A.S., Inc.*

**CERTIFICATE OF SERVICE**

The undersigned, an attorney, certifies that he served a copy of this notice and the attached motion on each entity shown on the attached list at the address shown and by the method indicated on the list on May 29, 2025, at or before 11:59 p.m.

By: /s/ Robert Richards  
Robert Richards

**SERVICE LIST**

**Via CM/ECF**

Adam G. Brief  
Office of the U.S. Trustee, Region 11  
219 S Dearborn St., Room 873  
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**Secured/Purported Secured Creditors – Via Regular U.S. Mail**

Yorkville Investment I, LLC  
12835 Summerhouse Dr.  
Plainfield, IL 60585

Global Capital Partners LLC  
2 S. Biscayne Blvd., 21st Floor  
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Miami, FL 33131

**20 Largest Unsecured Creditors – Via Email**

Alpha Carta Ltd., c/o TTA Corp. Services  
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**20 Largest Unsecured Creditors – Via Regular USPS Mail**

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1881 Pierce St.  
Lakewood, CO 80214

Delaware Division of Revenue  
Attn: Bankruptcy Administrator  
Carvel State Building  
820 N. French St., 8th Floor  
Wilmington, DE 19801

Department of the Treasury  
Internal Revenue Service  
P.O. Box 7346  
Philadelphia, PA 19101-7346

Dominion Bank  
17304 Preston Rd.  
Suite 1100  
Dallas, TX 75252

Franchise Tax Board  
Bankruptcy Section, MS:A-340  
PO Box 2952  
Sacramento, CA 95812

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Ryan Cicoski  
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**20 Largest Unsecured Creditors – Via USPS First Class Mail International**

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c/o Cayman Mgt. Ltd., Governors Square,  
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CAYMAN ISLANDS

Alpha Carta Ltd., c/o TTA Corp. Services  
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103 S. Church St., George Town,  
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CAYMAN ISLANDS

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UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
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In re:

GREEN SAPPHIRE HOLDINGS, INC.,

Debtor.

Case Number 25-07412

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Honorable Jacqueline Cox

**MOTION TO DISMISS DEBTOR'S CHAPTER 11 CASE BY  
GLOBAL CAPITAL PARTNERS LLC AND ACCESS MANAGEMENT, S.A.S., INC.**

Global Capital Partners, LLC ("Global Capital") and Access Management, S.A.S., Inc. ("Access Management," and with Global Capital, "Movants"), by and through their undersigned counsel, hereby move to dismiss this chapter 11 case for cause under section 1112(b) of the Bankruptcy Code. In support of this motion, Movants state as follows:

**PRELIMINARY STATEMENT**

1. This chapter 11 case should be dismissed for cause because the putative debtor, Green Sapphire Holdings, Inc. ("Green Sapphire"), has filed its petition in blatant bad faith. Green Sapphire lacks any valid reorganization purpose and filed solely to forestall a judgment in a pending state court action brought by its lender Global Capital.

2. Green Sapphire plainly lacks a valid purpose because it was not in financial distress when it filed its petition, nor is it at imminent risk of entering financial distress. The aggregate value of its assets—\$50 to \$100 million—far exceeds its liabilities to third-party creditors, which consist primarily of \$308,052.11 owed to law firms and an accounting firm. ***Over 99% of Green Sapphire's debt is owed to one insider: Alpha Carta Ltd.*** ("Alpha Carta"). Green Sapphire and Alpha Carta are affiliates within the family office of Thane Ritchie, an investment manager and serial litigant with a long record of breaching contracts by claiming fraud. Mr. Ritchie is the

ultimate beneficial owner of Alpha Carta while his wife is the ultimate beneficial owner of Green Sapphire. Operational control of the family office lies with Mr. Ritchie.

3. Worse, Green Sapphire is mischaracterizing as affiliate debt what is in fact equity. Green Sapphire booked transfers from Alpha Carta as “Affiliate Equity,” and Alpha Carta treated them as equity by allowing Green Sapphire to keep the funds for 6 years. Then, shortly before Green Sapphire filed bankruptcy, Alpha Carta sued its affiliate claiming Green Sapphire never paid any interest or principal for over five years on an “unsecured loan” of \$85 million.

4. Mr. Ritchie has attempted this maneuver before. In 2018, his Ritchie Risk-Linked Strategies, LLC (“RRLS”) tries to forestall an imminent loss in a state court case against an investor by filing for bankruptcy. Just before filing, an RRLS affiliate sued RRLS, and RRLS handed its affiliate a default judgment. There, as here, the affiliate held 99% of the “debt” in the bankruptcy.<sup>1</sup> After the U.S. Trustee moved to assume control or dismiss the case as filed in bad faith, RRLS swiftly withdrew its bankruptcy petition.<sup>2</sup> Returning to state court, Mr. Ritchie and his lawyers were ultimately sanctioned for filing an improper action there, with the court awarding fees of \$458,016.17 and commenting: “My not-so-brief time overseeing this case tells me that Mr. Ritchie, through his various companies and through his counsel, the Clayborne firm, attempted to do nothing short of sowing anarchy in the civil justice system.”<sup>3</sup>

5. Green Sapphire claims to have filed bankruptcy to address a “procedural morass” of “multiple litigation matters in multiple venues.” However, as in RRLS, ***“the procedural morass” was created by Mr. Ritchie’s company.*** Global Capital is suing Green Sapphire for

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<sup>1</sup> *In re Ritchie Risk-Linked Strategies, L.L.C.*, Case No. 18-11555, (Bankr. D. Del.), ECF No. 53, 7-8.

<sup>2</sup> *Id.*, ECF No. 129.

<sup>3</sup> See Declaration of Samantha Ruben, dated May 28, 2025 (cited as “Ruben Declaration” or “Ruben Decl.”), Ex. 1, (Hearing Transcript, August 26, 2019, *Ritchie Multi-Strategies Global, LLC v Huizenga Managers Fund, LLC et. al.*, Case No. 18 CH 6001 (Cook Cty., Illinois)).



failure to repay an \$11 million loan; it filed the action in the Delaware Chancery Court because Green Sapphire consented to jurisdiction in that forum in the loan documents. In violation of the forum selection clause, Green Sapphire chose to file a separate expansive RICO action in this judicial district against Global Capital and 20 other defendants (many of whom are moving to dismiss for lack of personal jurisdiction in Illinois). That Green Sapphire wishes to “centralize” the two cases in one forum is *not* a valid bankruptcy purpose. The recent cases of 3M and Johnson & Johnson, discussed below, firmly establish that a financially healthy company cannot use bankruptcy as a litigation management tactic. Bankruptcy is reserved for parties in need of relief from immediate financial difficulties, and Green Sapphire has no such need.

6. In reality, Green Sapphire filed bankruptcy merely to block Global Capital from obtaining a judgment against it in the Delaware Chancery Court. After failing to dismiss or stay the case, Green Sapphire attempted to derail it at each turn. Green Sapphire had its sister Alpha Carta intervene and assert collusive breach of contract and fraudulent transfer claims. Green Sapphire then filed a motion to vacate an order expediting the case based on incorrect statements of fact and spurious arguments, which was denied. Meanwhile, it violated existing court deadlines by refusing to comply with its discovery obligations. Ultimately, Green Sapphire stopped paying its counsel, which moved to withdraw. The Chancery Court granted the motion and directed Green Sapphire to retain new counsel within a week or be found in default. Instead of hiring litigation counsel, Green Sapphire hired bankruptcy counsel and filed its petition in this case, automatically staying the Chancery Court case.

7. Green Sapphire’s petition bears all the indicia of a classic bad faith filing. Accordingly, Movants respectfully request that the Court dismiss Green Sapphire’s bankruptcy case with prejudice to Green Sapphire’s ability to refile for a period of one year.

### **JURISDICTION**

8. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

9. The statutory bases for relief sought in this motion are section 1112 of the Bankruptcy Code and rule 2002 of the Federal Rules of Bankruptcy Procedure.

### **FACTUAL BACKGROUND**

#### **A. Bankruptcy Filing**

10. On May 14, 2025, Green Sapphire filed its petition under Chapter 11 of the Code. ECF No. 1. Green Sapphire claims \$50-100 million in liabilities against \$50-100 million in assets. *Id.* at items 15-16. Green Sapphire represents that its “aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$3,424,000.” *Id.* at item 8. In its list of 20 largest unsecured creditors who are not insiders, Green Sapphire identifies mostly law firms and one accounting firm. ECF No. 5 at 1-2. The list identifies debts to these firms totaling \$308,052.11. *Id.*

11. One week later, Green Sapphire amended its list of top third-party creditors. *See* ECF No. 8. The amended list states that Green Sapphire owes \$97,945,967.00 to “\*\*Alpha Carta.” The double asterisk indicates: “\*\*Investigation continues as to whether Alpha Carta Ltd. is an ‘insider’ of the Debtor.” *Id.*

12. The same day, Green Sapphire moved the Court for an extension of the deadline to file its Schedules and Statements. ECF No. 9. In its motion, Green Sapphire stated its purpose in filing for bankruptcy:

This is a unique chapter 11 case brought in an attempt to rectify the financial atrocities perpetrated against the Debtor by a series of bad actors, which has spawned multiple litigation matters in multiple venues. This litigation has taken a

life of its own and has left the Debtor drowning in a procedural morass. Through this bankruptcy, the Debtor intends to centralize the litigation in a single forum and unwind a multitude of fraudulent transactions to recover millions of dollars of assets wrongfully siphoned away from the Debtor.

*Id.* at 1 (emphasis added).

In the Delaware Chancery Court, Global Capital is pursuing a civil action against Green Sapphire for failure to repay an \$11 million loan.<sup>4</sup> *See infra* at Section C. In the District Court of this judicial district, Green Sapphire is pursuing a civil action alleging a vast RICO conspiracy against Global Capital and its principals and over twenty other named parties.<sup>5</sup>

**B. The Thane Ritchie Family Office And Green Sapphire’s Relationship to Alpha Carta**

13. Green Sapphire and Alpha Carta are part of a welter of interlocking entities within the family office of Aaron Robert Thane Ritchie, an investor and serial litigant with a lengthy record of breaching contracts and engaging in bad faith litigation practices. Mr. Ritchie manages his personal wealth through his family office, which consists of a complex network of onshore and offshore entities and trusts (the “Ritchie Family Office”). This “Family Office Trust Structure,” as his office has referred to itself in public filings, includes Green Sapphire and Alpha Carta, among other entities. Illinois Compl. ¶¶ 340, 393. A chart of the Family Office entities, compiled from information in Green Sapphire’s expansive RICO complaint filed with Alpha Carta in this judicial district, and from Alpha Carta’s intervenor complaint in the Chancery Court Action, is attached hereto as Exhibit 4 to the Ruben Declaration.

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<sup>4</sup> *Global Capital Partners LLC and Access Management, S.A.S., Inc. v. Green Sapphire Holdings Inc., Delaware Court of Chancery*, C.A. No. 2024-0877-JTL (the “Chancery Court Action”). The Verified Complaint is cited herein as “Del. Compl.” A copy is attached as Exhibit 2 to the Ruben Declaration.

<sup>5</sup> *Paul Schroth Wolfe, Yorkville Investment I, LLC, Green Sapphire Holdings, Inc., Alpha Carta, Ltd., et al v. Steven E. Looper et al.*, N.D. Ill. Case No. 24-cv-01538, ECF No. 137. The Third Amended Complaint is cited herein as “Illinois Compl.” A copy (without exhibits) is attached as Exhibit 3 to the Ruben Declaration.

14. Green Sapphire and Alpha Carta play complementary roles within the Ritchie Family Office. Green Sapphire's function is to hold real property subject to the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA), while Alpha Carta is an offshore vehicle that holds the Family Office's cash reserves and invests its capital.

15. Both entities are shell companies. Neither has any officers or employees. Administrative and other business operations are carried out by 60 Degrees Group SECZ, Ltd., a Cayman corporation within the Family Office that employs most of its personnel. *See* Illinois Compl. ¶ 340. Green Sapphire and Alpha Carta share the same director, Garrett Vail.<sup>6</sup> Both answer to the same "manager," Mark Azzopardi, who is a director of Alpha Carta and of the trustee of the trust that owns Green Sapphire.<sup>7</sup> In his latter capacity, Mr. Azzopardi signed the consent on behalf of Green Sapphire's owner authorizing it to borrow \$10 million from Global Capital.<sup>8</sup>

### **C. Delaware Chancery Court Case**

16. In February 2023, Global Capital extended a \$10 million bridge loan to Green Sapphire pursuant to a Loan and Security Agreement (the "Loan Agreement").<sup>9</sup> To secure the loan Green Sapphire pledged its subsidiary, Movant Access Management, and two real estate properties that Access Management owns in St. Barts. The principal property is known as Villa Mona. Green Sapphire's Director Ryan Cicoski signed the Loan Agreement and supporting agreements, and Global Capital promptly disbursed the funds to Green Sapphire's counsel in the

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<sup>6</sup> Ruben Decl., Ex. 5 (Affidavit of Garrett Vail (without exhibits), dated March 7, 2025) (cited as "Vail Aff."), at ¶ 2.

<sup>7</sup> Ruben Decl., Ex. 6 (Affidavit of Mark Azzopardi (without exhibits), dated March 5, 2025), at ¶¶ 1-2.

<sup>8</sup> Ruben Decl., Ex. 7 (Unanimous Consent of Directors of NorthSea LLC, dated February 15, 2023), second resolution.

<sup>9</sup> Ruben Decl., Ex. 8 (Loan and Security Agreement, dated February 2, 2023).

United States at the direction of Green Sapphire. *Id.* ¶¶ 22-23.<sup>10</sup> Green Sapphire’s counsel transferred \$8 million of the loan proceeds to Alpha Carta.<sup>11</sup>

17. Green Sapphire failed to make any interest payments to Global Capital. After the maturity date was extended and an additional \$1 million advanced as requested by Green Sapphire, it still failed to pay any interest or principal, and defaulted. Meanwhile its affiliate Alpha Carta kept the principal that Global Capital had loaned. In December 2023, Global Capital sent Green Sapphire a notice of default and shortly thereafter exercised its contractual rights to take ownership of the collateral in partial satisfaction of the debt. Del. Compl. ¶¶ 29-30; Springett Decl. Ex. 3.

18. In February 2024, Green Sapphire and Global Capital entered into a Loan Settlement Agreement. In exchange for a release of Global Capital’s claim for return of the principal and payment of accrued interest, Green Sapphire acknowledged that it had defaulted and expressly confirmed that as a consequence Global Capital now owned the collateral: shares in Green Sapphire’s wholly owned subsidiary, Access Management, and two properties Access Management owns in St. Barts. Del. Compl., ¶ 32 & Ex. A at Recital I & Section 1.

19. Two months later Mr. Ritchie apparently decided he was better off reneging on the Loan Settlement Agreement. Mr. Ritchie caused Green Sapphire to file a false civil complaint in St. Barts, which was not taken up by the authorities, and to send letters to authorities in St. Barts asserting that the loan was a “fake,” that Mr. Cicoski had wrongfully transferred the properties from Green Sapphire to Access Management before pledging them as collateral, and that Green Sapphire never received any loan proceeds from Global Capital. Del. Compl. ¶¶ 40, 42. Then

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<sup>10</sup> Ruben Decl., Ex. 9 (Declaration of Dustin Springett in Support of Motion to Lift Stay, May 22, 2025) (cited as “Springett Decl.”), at ¶ 8

<sup>11</sup> Ruben Decl., Ex. 10 (wire transfer receipts and related emails, dated Jan. 31 to Feb. 21, 2025), at ¶¶ 3, 8, 15.

Green Sapphire locked Global Capital out of Villa Mona, which it was renovating pursuant to a building permit transferred from Green Sapphire in connection with the loan settlement.

20. On August 22, 2024, Movants filed the Chancery Court Action against Green Sapphire. Green Sapphire moved to dismiss and/or stay the case, which Movants opposed. On January 17, 2025, Movants moved to expedite proceedings on grounds that they are at imminent risk of losing the building permit for Villa Mona. Moreover, construction must resume by July 29, 2025, or the permit will expire because construction has been delayed for the last year.<sup>12</sup>

21. On February 6, the Chancery Court denied the motion to dismiss and/or stay the claim for breach of the Loan Settlement Agreement, and granted the motion to expedite, setting trial for June 9 and 10, 2025. Green Sapphire and Movants agreed upon an expedited pre-trial schedule, and on March 3, 2025 the Chancery Court entered the stipulation as an order.

22. On March 12, 2025, Green Sapphire's affiliate Alpha Carta moved to intervene in the action, and the motion was granted two weeks later. Alpha Carta then served an openly collusive Uniform Fraudulent Transfer Act complaint against Green Sapphire—using the same attorney who was simultaneously representing Green Sapphire in its vast RICO conspiracy lawsuit filed in this District. In its third-party complaint Alpha Carta falsely alleged that it had loaned money to Green Sapphire over several years to purchase real property, including the St. Barts properties. Vail Aff., ¶7. Alpha Carta claimed that, between January 1, 2020 and March 28, 2025, Green Sapphire never made any payments on its debt to Alpha Carta and now owed \$85 million.<sup>13</sup>

23. The balance sheets Green Sapphire provided Global Capital in due diligence, however, showed that these affiliate investments were equity, not a loan. Each year from 2019

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<sup>12</sup> Ruben Decl., Ex. 11 (Declaration of Marc Fornacciari, April 8, 2024), at ¶ 23.

<sup>13</sup> Ruben Decl., Ex. 12 (Third Party Complaint of Alpha Carta, March 28, 2025).

through 2022 (to September 12), Green Sapphire reported amounts in an “Affiliate Equity” account steadily increasing from \$24,219,567 up to \$59,674,459. Springett Decl., Ex. 1 (balance sheets for years 2019-2021) & Ex. 2 (balance sheet for year-to-date as of Sept. 12, 2022). Meanwhile no affiliate debt appears on the balance sheets.

24. On April 3, 2025, Green Sapphire moved to vacate the Chancery Court’s order granting expedition. The motion was rife with incorrect statements of fact and specious arguments. Alpha Carta filed a joinder and requested that the Court reconsider staying the case. On April 23, 2025 the Chancery Court denied the motion: “The defendants and intervenor have not shown good cause to vacate the schedule or for the court to reconsider its ruling under *McWane*.”<sup>14</sup>

25. During the pendency of the motion to vacate expedition, Green Sapphire and Alpha Carta refused to participate in discovery or produce any documents. On April 16, Green Sapphire and Global Capital were due to substantially complete their productions in response to document requests served on February 28. While Global Capital produced over 7,800 pages of documents, Green Sapphire produced nothing at all. On April 21, 2025, Movants filed a motion to compel discovery, which remains pending. Separately, Global Capital served document requests on Alpha Carta; Alpha Carta has produced no documents to date, nor engaged on search terms or custodians.

26. On May 2, 2025, Green Sapphire’s counsel moved to withdraw from the case, citing Green Sapphire’s failure to pay its invoices. Global Capital opposed the motion and argued that, in light of the stall tactics by Green Sapphire and Alpha Carta throughout the case, withdrawal should be conditioned on Green Sapphire retaining new counsel. On May 10, the Chancery Court granted motion to withdraw and ordered: “Substitute counsel must enter an appearance for Green Sapphire on or before May 16, 2025; otherwise, the court will find Green Sapphire in default.”<sup>15</sup>

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<sup>14</sup> Ruben Decl., Ex. 13 (Order Denying Motion to Vacate Expedition Order, April 23, 2025), at page 3.

<sup>15</sup> Ruben Decl., Ex. 14 (Order Granting Motion to Withdraw, May 10, 2025), at page 2.

### **LEGAL STANDARD**

27. Section 1112 of the Code authorizes dismissal of a bankruptcy case “for cause.” 11 U.S.C. § 1112(b)(1). “‘Good faith’ is a threshold prerequisite to securing Chapter 11 relief, and that the lack of such good faith constitutes ‘cause’ sufficient for dismissal under [Section] 1112(b).” *Matter of Madison Hotel Assocs.*, 749 F.2d 410, 426 (7th Cir. 1984). “[T]he question is really whether the debtor has presented a legitimate reorganizational objective within the scope of the Bankruptcy Code or rather has presented tactical reasons unrelated to reorganization.” *In re Liptak*, 304 B.R. 820, 828 (Bankr. N.D. Ill. 2004) (Cox, J.).

28. “A Chapter 11 case can be dismissed at any time.” *In re Woodbrook Assocs.*, 19 F.3d 312, 317 (7th Cir. 1994). Creditors need not wait until the debtor proposes a plan of reorganization or until a plan confirmation hearing. *Id.* “The very purpose of § 1112(b) is to cut short this plan and confirmation process where it is pointless.” *Id.*

### **ARGUMENT**

29. The principal tests for determining whether a bankruptcy petition was filed in bad faith are: “(1) whether the petition serves a valid bankruptcy purpose; and (2) whether it is filed merely to obtain a tactical litigation advantage.” *In re LTL Mgmt., LLC*, 64 F.4th 84, 100–01 (3d Cir. 2023) (cleaned up). Green Sapphire fails both tests. Its prepetition conduct in the Chancery Court and its postpetition filings in this case demonstrate that Green Sapphire filed bankruptcy with the sole purpose of frustrating Global Capital’s efforts to confirm its ownership of the St. Barts Properties. Dismissal for cause is therefore warranted.

#### **A. Green Sapphire Lacks A Valid Reorganization Purpose.**

30. Green Sapphire lacks a valid purpose in filing for bankruptcy. A valid purpose, such as preserving a going concern or maximizing the value of the debtor’s estate, “assumes a debtor in financial distress.” *LTL Mgmt.*, 64 F.4th at 101. “[A]bsent financial distress, there is no



reason for Chapter 11 and no valid bankruptcy purpose.” *Id.* Hence “courts have consistently dismissed Chapter 11 petitions filed by financially healthy companies with no need to reorganize under the protection of Chapter 11.” *In re Aeero Techs. LLC*, 2023 WL 3938436, at \*15 (Bankr. S.D. Ind. June 9, 2023) (collecting cases).

31. Green Sapphire is not remotely in financial distress. Courts look to the proportion of debt owed to insiders as a key factor in assessing true financial distress. *See, e.g., In re Rent-A-Wreck of Am., Inc.*, 580 B.R. 364, 378 (Bankr. D. Del. 2018) (finding bad faith filing where, *inter alia*, “on an order of magnitude, the Schedules reflect significant debt to affiliated entities, and comparatively insignificant debt to unaffiliated entities”). Here, Green Sapphire claims to owe \$97,945,967.00 to its affiliate Alpha Carta, and \$308,052.11 to third-party creditors. *Supra* at ¶¶ 10-11. In other words, 99.68% of Green Sapphire’s debt is owed to an insider.

32. Contrary to Green Sapphire’s suggestion that the relationship requires “investigation” (*supra* at ¶ 11), Alpha Carta is plainly an insider of Green Sapphire. Both entities have affirmatively represented that they are related under the “Family Office Trust Structure.” *Supra* at ¶ 13. Alpha Carta’s ultimate beneficial owner is Thane Ritchie while Green Sapphire’s ultimate beneficial owner is Juleen Ritchie—Mr. Ritchie’s wife. *See* 11 U.S.C. § 101(31)(b)(vi) (“relative” of person who controls debtor corporation is an insider). The entities share the same director, Garret Vail, and answer to the same manager, Mark Azzopardi. *Supra* at ¶ 15; *see also In re S. Beach Sec., Inc.*, 376 B.R. 881, 891 (Bankr. N.D. Ill. 2007) (related entity deemed insider of debtor where entities shared the same manager). And the transactions between the entities were not arms’ length: Alpha Carta claims it advanced \$85 million to Green Sapphire as an unsecured loan but Green Sapphire paid no interest or principal for over five years. *See also id.* (related entity deemed insider of debtor where “none of [the transactions] were remotely arm’s length”).

33. Worse, the “debt” Green Sapphire attributes to Alpha Carta is in fact equity. Green Sapphire recorded the transfers on its accounting books as “Affiliate Equity.” *Supra* at ¶ 23. And despite relabeling the transfers an “unsecured loan” after the fact in litigation, Alpha Carta allowed Green Sapphire to use the funds for over 5 years without paying any interest or principal. *Supra* at ¶ 22. That Alpha Carta has continued to transfer millions to Green Sapphire after suing it for “nonpayment” confirms these amounts are not a loan.<sup>16</sup>

34. In short, Green Sapphire is a financially healthy entity with no immediate difficulties in that regard. It claims \$50 to \$100 million in assets and *de minimis* liabilities to third-party creditors. *Supra* at ¶ 10. Where, as here, a debtor is highly solvent and capable of paying its debts, it has no need to reorganize and dismissal is warranted. *See also In re Integrated Telecom Express, Inc.*, 384 F.3d 108, 124 (3d Cir. 2004) (dismissing chapter 11 petition by entity that was “highly solvent and cash rich at the time of the bankruptcy”).

35. In its motion for extension of time, Green Sapphire gives up the game and confirms that its purpose in filing bankruptcy is not relief from financial distress. Green Sapphire expressly states that it seeks to address the “procedural morass” it faces from “multiple litigation matters in multiple venues,” and “to centralize the litigation in a single forum.” *Supra* at ¶ 12. As an initial matter, to the extent Green Sapphire considers this a “procedural morass,” it has itself to blame. It consented to jurisdiction in the Delaware Chancery Court when it signed the Loan Agreement, and despite that forum selection clause, it chose to file a RICO case in this judicial district.

36. Moreover, “centralizing litigation” is *not* a valid bankruptcy purpose. Virtually identical arguments for filing bankruptcy were rejected in the *Aearo* and *LTL Mgmt.* cases. In

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<sup>16</sup> On March 5, 2025, Alpha Carta sued Green Sapphire for breach of their “loan agreement” and asserted a claim for \$85 million. *Supra* at ¶ 18. On May 20, 2025, when Green Sapphire amended its list of third-party creditors to add Alpha Carta, that amount had ballooned to \$97,945,967. *Supra* at ¶ 24. That is, in the two months following Green Sapphire’s “default,” Alpha Carta sent another \$13 million to Green Sapphire, just before it filed for bankruptcy.

*Aearo*, where a subsidiary of 3M sold defective earplugs that led to multi-district litigation and filed for bankruptcy, the court dismissed the case upon finding that “the filings were not prompted by concerns over financial distress or impending insolvency but were initiated to manage the MDL process, a process that Aearo insisted was ‘broken.’” 2023 WL 3938436, at \*20. In *LTL Mgmt.*, where Johnson & Johnson formed a shell company to manage and defend mass tort claims related to its talcum powder products and had it file bankruptcy, the court dismissed the case upon finding that the debtor was “highly solvent” and “well-funded” to meet its liabilities. 64 F.4th at 108-109; *see also In re SGL Carbon Corp.*, 200 F.3d 154, 162 (3d Cir. 1999) (dismissing chapter 11 petition where antitrust suit not shown to affect debtor’s “operational well being”). As in *Aearo* and *LTL Mgmt.*, Green Sapphire filed bankruptcy as “a litigation management tactic and not a rehabilitative effort.” *Aearo*, 2023 WL 3938436, at \*20. The case should be dismissed on this basis alone.

**B. Green Sapphire’s True Motive Is To Gain An Improper Tactical Advantage Over Global Capital In The Chancery Court Case.**

37. The second principal test for determining bad faith “focuses on the Bankruptcy Code’s effect on a judgment creditor’s nonbankruptcy collection rights and the debtor’s motive for impeding those rights.” *In re LJBV LTD*, 544 B.R. 401, 406 (Bankr. N.D. Ill. 2016) (Cox, J.). “If the debtor’s only purpose for filing the case is to delay (or defeat) a single judgment creditor, and the case has little or no ability to benefit the creditor body as a whole, then the debtor has not filed the Chapter 11 in good faith.” *Liptak*, 304 B.R. at 836. Here, Green Sapphire’s true motive in filing its petition is to defeat Global Capital’s efforts to confirm its ownership of the St. Barts real property. The case has no ability to enhance the recovery of other creditors.

38. In the Chancery Court Case, Green Sapphire engaged in one tactical delay after another. Green Sapphire had its affiliate Alpha Carta assert circular and openly collusive fraudulent transfer claims, which boil down to a claim that Alpha Carta is a “creditor” of its co-

controlled affiliate Green Sapphire and that the loan at issue was a fraudulent transaction because the loan proceeds were not paid to Green Sapphire—when they were paid directly to Alpha Carta. Green Sapphire then moved to vacate the Chancery Court’s order expediting the case on frivolous grounds, and used the pendency of that motion as an excuse to disregard existing court deadlines and discovery obligations. After losing its motion to vacate the expedition order, Green Sapphire, highly solvent and flush with cash from Alpha Carta, stopped paying its counsel. The decision was plainly tactical, designed to cause its counsel to withdraw and bring the case to a standstill. When the maneuver backfired and Green Sapphire faced default, it swiftly filed for bankruptcy.

39. The timing makes clear that Green Sapphire filed its petition as a last-ditch effort to derail the Chancery Court Case. On May 10 the Chancery Court granted Green Sapphire’s counsel’s motion to withdraw and ordered that substitute counsel appear by May 16 or Green Sapphire would be found in default. On May 12 Green Sapphire hired bankruptcy counsel, and on May 14 filed its bankruptcy petition. *See* ECF No. 9 at ¶ 8. Plainly, Green Sapphire sought only to trigger the automatic stay to evade the Chancery Court’s orders and deny Movants timely relief on their claims. *See also In re Silberkraus*, 253 B.R. 890, 904–05 (Bankr. C.D. Cal. 2000) (finding bad faith where “Debtor’s timing in the filing of this case was strategic—Silberkraus filed just days before a status conference in state court where the state court was to set a trial date to try the state court specific performance action”); *Liptak*, 304 B.R. at 837 (finding bad faith where “the timing is indicative of an intent to delay the primary creditor, the ex-wife, on the eve of her exercise of traditional state-law collection rights”).

40. Green Sapphire cannot point to other creditors to justify forestalling Global Capital. Green Sapphire claims \$50 to \$100 million in assets, and its trade creditors are owed a mere \$308,052.11. Their claims will be paid in full inside or outside of Green Sapphire’s bankruptcy.

*See also Aearo*, 2023 WL 3938436, at \*20 (dismissing case where bankruptcy would not increase creditor recoveries because debtor had funding “to pay all valid claims in full inside or outside of Aearo’s bankruptcy”). As in *Liptak*, because Green Sapphire “is actually solvent, the marshaling of assets by the bankruptcy estate is not intended for the benefit of creditors but is rather intended for the forum-shopping advantages that may accrue in favor of the debtor.” 304 B.R. at 835.

41. Green Sapphire also lacks any business justification for forestalling Global Capital. Thwarting collection activity with respect to certain assets cannot be justified on business grounds unless the assets are “crucial to operating the business.” *Liptak*, 304 B.R. at 830. At issue in this case is not machinery or other assets used to earn revenue. Rather, Green Sapphire is baselessly seeking to claw back from Global Capital a residential property and empty lot that generate no cash flow. The properties are plainly not “needed to actually operate a business producing goods or services” (*id.* at 833), and thus Green Sapphire has no business justification in preventing Global Capital from confirming its ownership. *See also In re Salvador*, 2009 WL 3780883, at \*3 (Bankr. N.D. Ill. Nov. 10, 2009) (finding bad faith in filing petition to forestall creditor where debtor “was not using the retirement funds to operate a business or to support some other ongoing concern”).

42. At bottom, this bankruptcy case reduces to a dispute between Green Sapphire and Global Capital. Other creditors are *de minimis* by comparison. Where, as here, a bankruptcy case boils down to a two-party dispute in which the debtor is plainly forum-shopping and seeking to avoid orders in another court, there is no good faith basis to file bankruptcy and the case should be dismissed. *LJBV LTD*, 544 B.R. at 406; *Liptak*, 304 B.R. at 832.

### **CONCLUSION**

43. For these reasons, Movants respectfully request that the Court grant their motion and enter an order dismissing Green Sapphire’s bankruptcy case with prejudice to Green Sapphire’s ability to refile for a period of one year.

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