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**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY**

In re:

Fast Track Trading LLC,

Debtor.

Case No: 25-10470

Judge: MBK

Chapter: 7

Hearing Date: November 6, 2025 at 10
am

**TRUSTEE'S VERIFIED MOTION FOR AN ORDER ESTABLISHING PROCEDURES
(I) TO COMPROMISE AND SETTLE CERTAIN CLAIMS AND (II) FOR INTERIM
COMPENSATION AND REIMBURSEMENT OF EXPENSES OF PROFESSIONALS**

John M. McDonnell, Chapter 7 Trustee (the "Trustee") of the estate of Fast Track Trading, LLC (the "Debtor"), by and through his undersigned counsel, respectfully moves for entry of an order (the "Procedures Order") establishing (i) streamlined procedures to compromise and settle certain avoidance and recovery claims, and (ii) procedures for the interim allowance and payment of compensation and reimbursement of expenses of professionals retained by the Trustee (collectively, the "Professionals"). In support thereof, the Trustee states as follows:

Jurisdiction and Venue

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334.

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2. This matter constitutes a core proceeding under 28 U.S.C. § 157(b)(2)(A), (M), and (O).
3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.
4. The statutory predicates for the relief requested herein include 11 U.S.C. §§ 105(a), 330, 331, 363(b), 544, 547, 548, 550, 551, and Bankruptcy Rule 9019.

Background

5. The Debtor was formed in May 2024 and operated under the direction and control of its founder, Scott Trieste (“Trieste”).

6. While FTT marketed itself as a legitimate proprietary trading firm (“prop firm”), in reality its business model bore no resemblance to industry norms and was fatally flawed from inception.

7. Unlike bona fide prop firms, FTT lured customers with unsustainable promises— instant account funding without evaluation, excessive profit-sharing ratios, elimination of recurring fees, accelerated payout schedules, multiple account tiers, copy-trading features, and relentless promotional discounts—all calculated to rapidly attract deposits rather than build a viable trading enterprise.

8. Instead of reinvesting client deposits into bona fide trading operations or maintaining sufficient capital reserves, Trieste systematically siphoned client funds to underwrite a life of excess. He amassed luxury watches, designer jewelry, premium season tickets, and sports memorabilia, and acquired a fleet of high-end vehicles—including a Lamborghini Huracán, Ferrari F430, McLaren 570S, and Bentley Continental—none of which conferred any benefit upon the Debtor or its clients.

The logo consists of a blue '@' symbol followed by the text 'jmutrades' in a blue, sans-serif font. A small number '2' is positioned below the 'u' in 'jmutrades'.

9. Trieste further diverted client funds to cover personal expenses wholly unrelated to the Debtor's business. These misappropriations encompassed residential lease payments, gambling losses, luxury automobile expenses, lavish vacations, and, most egregiously, the financing of his wedding weekend in Las Vegas, Nevada.

10. FTT bore the unmistakable hallmarks of a Ponzi scheme. Its business depended on a constant stream of new client deposits to satisfy the payout obligations owed to earlier clients. Once the pace of new deposits slowed and withdrawal demands increased, the scheme inevitably began to unravel.

11. In its initial stages, FTT cultivated the illusion of legitimacy by promptly processing payout requests, thereby instilling false confidence and inducing additional deposits. As the client base expanded, however, payout obligations multiplied exponentially, even as Trieste siphoned millions of dollars in client funds for his personal enrichment—leaving FTT devoid of the liquidity necessary to sustain operations.

12. When the flow of new deposits diminished, payouts that had once been processed within five to ten days were delayed for weeks and ultimately went unpaid. This erosion of confidence prompted waves of client chargebacks, further depleting the already scarce liquidity of the enterprise.

13. Once payout obligations outpaced new deposits, FTT collapsed under its own weight. Lacking legitimate trading revenues or reserves, it could not sustain operations and left millions of dollars in client obligations unpaid. Like other Ponzi-style schemes, its supposed growth was a mirage, its profitability a façade, and its downfall inevitable.

14. On November 7, 2024, FTT ceased operations after it became unable to satisfy mounting payout demands.

15. Although FTT amassed tens of millions of dollars in client deposits, only a fraction was ever returned. The remainder was either recycled to earlier investors in classic Ponzi fashion or diverted by Trieste for his personal benefit, leaving hundreds—if not thousands—of creditors with unpaid claims and uncompensated losses.

16. On December 23, 2024 (“Petition Date”), petitioning creditors filed an involuntary Chapter 7 petition against Fast Track Trading LLC, commencing Case No. 24-22595 (the “Involuntary Case”).

17. On January 16, 2025, the Debtor filed a voluntary petition for relief under Chapter 7, thereby commencing the above-captioned case (the “Voluntary Case”).

18. On March 12, 2025, the Court entered an order administratively consolidating the Voluntary and Involuntary Cases, designating the Voluntary Case as the lead case and establishing December 23, 2024—the date of the Involuntary Petition—as the Petition Date for the consolidated matters.

19. The Trustee was duly appointed in the Voluntary Case, has qualified, and is presently serving as the Chapter 7 Trustee of the Debtor’s estate.

20. Since his appointment, the Trustee has conducted an extensive investigation into the Debtor’s financial affairs and has identified more than 600 transfers that appear avoidable and recoverable under §§ 544, 547, 548, 549, and 550 of the Bankruptcy Code, and under the New Jersey Uniform Fraudulent Transfer Act (the “Avoidance Claims”).

21. In light of the number of such claims and the anticipated litigation activity, the Trustee seeks to implement procedures that will permit the efficient resolution of small and medium-sized claims without the burden of filing a separate Rule 9019 motion for each settlement.

Relief Requested
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22. By this Motion, the Trustee seeks entry of an order establishing:

- a) Settlement Procedures for the Trustee's compromise and settlement of avoidance and recovery claims; and
- b) Interim Compensation Procedures for the allowance and payment of fees and expenses of the Professionals retained to prosecute and resolve such claims.

23. To reduce administrative costs, promote judicial economy, and maximize value for creditors, the Trustee respectfully requests that the Court approve and authorize the settlement and compensation procedures as proposed herein.

I. SETTLEMENT PROCEDURES

24. The Trustee has identified more than 600 avoidance and recovery actions arising under §§ 544, 547, 548, and 550 of the Bankruptcy Code and applicable state law. Many of these claims involve modest amounts or present limited dispute as to liability, making formal motion practice inefficient and costly.

25. To balance efficiency with transparency, the Trustee proposes the following settlement procedures (the "Settlement Procedures"):

- a) The Trustee shall be authorized to settle or compromise any claim asserted in the amount of \$25,000 or less without further notice to parties in interest or order of the Court.
- b) The Trustee is authorized to settle or compromise any asserted claim exceeding \$25,000 but less than \$100,000 without further notice or Court order, provided that the settlement recovers at least fifty percent (50%) of the asserted claim. If the proposed settlement provides for recovery of less than fifty percent (50%), the Trustee shall file a Notice of Settlement, substantially in the form annexed as **Exhibit A** (the "Notice"), and serve it upon all parties entitled to notice under Bankruptcy Rule 2002 (the "Notice Parties"). The Notice Parties shall have fourteen (14) days from filing and service of the Notice to file an objection (an "Objection"). If an objection is timely filed, the Court shall schedule a hearing pursuant to Rule 9019(a). If no timely Objection is filed, the Trustee shall be authorized to consummate

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the settlement without the need for further notice, hearing, or Court approval.

- c) With respect to any asserted claim in an amount greater than \$100,000, the Trustee shall file a Notice of Settlement, substantially in the form annexed as **Exhibit A** (the “Notice”), and serve it upon all parties entitled to notice under Bankruptcy Rule 2002 (the “Notice Parties”). The Notice Parties shall have fourteen (14) days from filing and service of the Notice to file an objection (an “Objection”). If an objection is timely filed, the Court shall schedule a hearing pursuant to Rule 9019(a). If no timely Objection is filed, the Trustee shall be authorized to consummate the settlement without the need for further notice, hearing, or Court approval.

26. The Settlement Procedures are modeled upon procedures approved in numerous cases in this District, including *In re CTE I LLC*, Case No. 19-30256 (VFP) (Bankr. D.N.J. Nov. 20, 2019), and *In re National Realty Investment Advisors, LLC*, Case No. 22-14539 (JKS) (Bankr. D.N.J. Aug. 24, 2022), and are designed to conserve judicial resources, reduce administrative costs, and expedite recoveries for creditors while preserving notice and due process rights.

27. The Trustee further seeks Court approval of the Notice of Settlement attached hereto as **Exhibit A**.

II. COMPENSATION PROCEDURES

28. In order to fulfill his statutory obligations under the Bankruptcy Code, the Trustee has retained several law firms to serve as special counsel in connection with the investigation and prosecution of the Avoidance Claims, including: (a) The Law Firm of Brian W. Hofmeister, LLC; (b) McManimon, Scotland & Baumann, LLC; (c) The Kelly Firm, P.C.; (d) Law Offices of Mitchell J. Malzberg, LLC; (e) Norgaard O’Boyle & Hannon; (f) McDonnell Crowley, LLC; and (g) Genova Burns LLC (collectively, the “Professionals”).

29. Each of the Professionals has been retained as special counsel on a contingency-fee basis, wherein the Professionals are entitled to compensation equal to thirty percent (30%) of the gross recovery, after deduction of actual and reasonable expenses incurred in connection therewith.

30. The Trustee proposes that the payment of compensation and reimbursement of expenses of the Professionals (the “Compensation Procedures”) be structured as follows:

- a) Upon consummation of each settlement, the Trustee is authorized, without further Order of the Court, to remit to the applicable Professional thirty percent (30%) of the gross recovery, after deduction of actual and reasonable expenses incurred in connection therewith.

31. Establishing interim compensation procedures is both customary and appropriate in complex Chapter 7 cases. Such procedures promote efficiency by streamlining the fee approval process, reducing administrative costs, and ensuring that professionals are compensated on a timely and predictable basis commensurate with the services rendered. See *In re Busy Beaver Bldg. Ctrs., Inc.*, 19 F.3d 833, 844–45 (3d Cir. 1994); *In re CTE 1 LLC*, Case No. 19-30256 (VFP); *In re Bed Bath & Beyond Inc.*, Case No. 23-13131 (MBK).

III. LEGAL BASIS FOR RELIEF REQUESTED

A. Legal Basis for Settlement Procedures

32. The Court is authorized under Section 105(a) of the Bankruptcy Code and Rule 9019 of the Federal Rules of Bankruptcy Procedure to approve settlements and to establish streamlined procedures for the efficient administration of compromise authority. Section 105(a) grants the Court broad equitable powers to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). Rule 9019(a) expressly empowers the Court, after notice and a hearing, to approve a compromise or settlement “on motion by the trustee.”

33. Bankruptcy courts have consistently recognized that the Court may, in the exercise of its discretion, approve procedures for the settlement of claims rather than requiring a separate motion for each compromise. See *In re NJ Affordable Homes Corp.*, No. 05-60442 (DHS), 2007 WL 4410455, at *15 (Bankr. D.N.J. Dec. 14, 2007) (approving settlement procedures under Rule 9019 and noting that compromises are “a normal part of the process of reorganization”); *In re CFT I LLC*, Case No. 19-30256 (VFP) (Bankr. D.N.J. Nov. 20, 2019) (approving settlement procedures authorizing trustee to resolve certain claims without separate motions); and *In re National Realty Investment Advisors, LLC*, Case No. 22-14539 (JKS) (Bankr. D.N.J. Aug. 24, 2022) (same).

34. In approving settlement procedures, courts apply the standard articulated in *Cosoff v. Rodman (In re W.T. Grant Co.)*, 699 F.2d 599, 608 (2d Cir. 1983), and adopted in this Circuit, under which a proposed compromise should be approved if it falls above “the lowest point in the range of reasonableness.” See *In re Martin*, 91 F.3d 389, 393 (3d Cir. 1996) (setting forth the Martin factors for evaluating settlements); *In re Penn Central Transp. Co.*, 596 F.2d 1102, 1114 (3d Cir. 1979). By extension, courts have found it appropriate to pre-authorize settlement procedures that preserve notice and an opportunity to object while allowing routine compromises to proceed efficiently.

35. The Settlement Procedures maintain transparency, provide adequate notice to interested parties, and are consistent with the equitable objectives of the Bankruptcy Code to maximize value for creditors and minimize administrative expense. The Trustee’s requested procedures will enable the estate to resolve numerous small- and medium-sized avoidance claims in a cost-effective manner while preserving the rights of notice parties to object and seek Court review if necessary.

36. Based upon the foregoing, the Trustee submits that approval of the Settlement Procedures is necessary, appropriate, and in the best interests of the estate and creditors. They eliminate the risk and expense of protracted litigation, ease the administrative burden on both the estate and the Court, and maximize recoveries for creditors.

37. The Trustee also requests, pursuant to Bankruptcy Rule 2002(a)(3), that the Court find cause to limit notice of settlements under these procedures, enabling prompt and efficient resolution of claims.

B. Legal Basis for Interim Compensation Procedures

38. The relief requested with respect to interim compensation is authorized under Sections 105(a), 330, 331, and 363(b) of the Bankruptcy Code and Bankruptcy Rule 2016.

39. Section 331 expressly permits the Court to allow compensation to professionals employed under Section 327 “before the case is concluded and before the filing of a final fee application.” 11 U.S.C. § 331. Section 330 further authorizes the Court to award “reasonable compensation for actual, necessary services rendered” and “reimbursement for actual, necessary expenses.” 11 U.S.C. § 330(a)(1).

40. Furthermore, section 105(a) empowers the Court to issue orders necessary to carry out the provisions of the Code, and Section 363(b)(1) authorizes the Trustee, after notice and a hearing, to use property of the estate outside the ordinary course of business, including to pay approved compensation.

41. Together, these provisions provide ample authority for the establishment of interim compensation procedures to promote judicial economy, reduce administrative expense, foster the orderly and transparent administration of the estate and ensure professionals are paid in a timely manner commensurate with the services rendered.

42. The Compensation Procedures ensure that the Trustee can pursue numerous potential claims without imposing any up-front cost or risk on the estate. Under current procedures, professionals must wait for separate Court approval and distribution authority after each individual settlement, regardless of size or complexity. This approach results in unnecessary administrative delay, consumes judicial resources, and increases administrative costs—particularly given the volume of anticipated settlements.

43. Moreover, because the Professionals' compensation is purely contingent, there is no risk of overpayment or depletion of the estate. Payments are self-limiting to the percentage of actual recoveries by the estate.

44. The Compensation Procedures are essential to maximize net estate value, promote judicial economy and ensure prompt and fair compensation of Professionals.

45. Accordingly, the requested interim compensation procedures are consistent with statutory authority and established precedent in this District and will facilitate the efficient administration of this Chapter 7 estate.

Waiver of Memorandum of Law

46. The Trustee respectfully request that the Court waive the requirement to file a separate memorandum of law pursuant to Local Rule 9013-1(a)(3) because the legal basis upon which the Trustee relies is set forth herein and the Motion does not raise any novel issues of law.

Waiver of Rule 6004(a) and 6004(h)

47. The Trustee requests a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the 14-day stay under Bankruptcy Rule 6004(h), to the extent that either rule is applicable.

WHEREFORE, the Trustee respectfully requests that this Court enter an order, substantially in the form submitted herewith, (i) establishing procedures to compromise and settle certain claims, (ii) establishing procedures for the interim allowance and reimbursement of compensation and expenses of Professionals, and (iii) granting such other and further relief as the Court deems just and proper.

GENOVA BURNS LLC

Date: October 7, 2025

/s/ Jaclynn N. McDonnell

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Counsel for John M. McDonnell, Chapter 7

Trustee for Fast Track Trading LLC

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TRUSTEE’S VERIFICATION

I, John M. McDonnell, hereby verify under penalty of perjury that I am the duly appointed and acting Chapter 7 Trustee for the estate of Fast Track Trading LLC (the “Debtor”), that I have read the foregoing Motion, and that the factual statements contained therein are true and correct to the best of my knowledge, information, and belief.

I further verify that the relief requested in this Motion is made in good faith, is not interposed for delay, and, in my judgment, is necessary and appropriate to carry out my fiduciary duties under the Bankruptcy Code.

Dated: October 7, 2025,

/s/ John M. McDonnell
John M. McDonnell, Esq.,
Chapter 7 Trustee for the estate
of Fast Track Trading LLC

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