

Jeffrey C. Block (*pro hac vice*)  
Jacob A. Walker (SBN 271217)  
**BLOCK & LEVITON LLP**  
260 Franklin Street, Suite 1860  
Boston, MA 02110  
(617) 398-5600 phone  
jeff@blockesq.com  
jake@blockesq.com  
joel@blockesq.com

Hung G. Ta (*pro hac vice*)  
JooYun Kim (*pro hac vice*)  
**HUNG G. TA, ESQ. PLLC**  
250 Park Avenue, 7<sup>th</sup> Floor  
New York, NY 10017  
(646) 453-7288 phone  
hta@hgtlaw.com  
jooyun@hgtlaw.com

*Co-Lead Counsel*

*Co-Lead Counsel*

*[Additional counsel listed on signature block]*

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

IN RE TEZOS SECURITIES LITIGATION

No. 3:17-cv-06779-RS  
(Consolidated)

This document relates to:

CLASS ACTION

ALL ACTIONS

**LEAD PLAINTIFF'S NOTICE OF  
MOTION, MOTION FOR  
PRELIMINARY APPROVAL OF  
SETTLEMENT, AND  
MEMORANDUM OF POINTS AND  
AUTHORITIES IN SUPPORT  
THEREOF**

Date: April 30, 2020  
Time: 1:30 p.m.  
Courtroom: 3, 17th Floor  
Judge: Hon. Richard Seeborg

## TABLE OF CONTENTS

1		
2		
3		
4	NOTICE OF MOTION AND MOTION.....	1
5	STATEMENT OF ISSUES TO BE DECIDED.....	2
6	MEMORANDUM OF POINTS AND AUTHORITIES.....	2
7	I. PRELIMINARY STATEMENT.....	2
8	A. Statement of Facts .....	3
9	B. Procedural History.....	4
10	1. The Federal Litigation .....	4
11	2. The State Litigation .....	6
12	C. Settlement Negotiations.....	8
13	II. THE PROPOSED SETTLEMENT .....	9
14	A. Settlement Consideration.....	9
15	B. Plan of Allocation.....	9
16	III. ARGUMENT .....	10
17	A. The Court Should Grant Preliminary Approval of The Proposed Settlement.....	10
18	1. The Proposed Settlement Is The Product Of Good Faith, Arm's Length	
19	Negotiations Among Experienced Counsel Mediated By An Experienced	
20	Private Mediator .....	11
21	2. The Proposed Settlement Has No Obvious Deficiencies And Does Not	
22	Improperly Grant Preferential Treatment To Class Representatives Or	
23	Segments Of The Settlement Class .....	12
24	3. The Proposed Settlement Falls Well Within The Range Of Reasonableness	
25	And Warrants Notice And A Hearing On Final Approval .....	13
26	B. The Proposed Settlement Meets The Requirements of Fed. R. Civ. P. 23(e)(2).....	15
27	C. The Proposed Settlement Class Also Meets The Prerequisites For Class Certification	
28	Under Rule 23.....	18
	1. Numerosity .....	19
	2. Commonality .....	20
	3. Typicality.....	20

1                   4.     Adequacy .....22

2                   5.     Common Questions of Law Predominate And A Class Action Is the Superior

3                         Method Of Adjudication.....23

4                 D.     The Court Should Approve The Form Of Notice And Plan For Providing Notice To

                       The Settlement Class .....26

5     IV.    CONCLUSION .....30

## TABLE OF AUTHORITIES

### **Cases**

<i>Alberto v. GMRI, Inc.</i> , 252 F.R.D. 652 (E.D. Cal. 2008).....	10
<i>Alfus v. Pyramid Tech. Corp.</i> , 764 F. Supp. 598 (N.D. Cal. 1991).....	20
<i>Amchem Prods., Inc. v. Windsor</i> , 521 U.S. 591 (1997) .....	20, 24
<i>Basile v. Valeant Pharm. Int’l, Inc.</i> , No. SACV 14-2004-DOC (KES), 2017 WL 3641591 (C.D. Cal. Mar. 15, 2017).....	20
<i>Blackie v. Barrack</i> , 524 F.2d 891 (9th Cir. 1975) .....	20
<i>Boyd v. Bank of Am. Corp.</i> , No. SACV 13-0561-DOC (JPRx), 2014 WL 6473804 (C.D. Cal. Nov. 18, 2014) .....	17
<i>Cheng Jiangchen v. Rentech, Inc.</i> , No. CV 17-1490-GW-FFMx, 2019 WL 6001562 (C.D. Cal. Nov. 8, 2019) .....	17
<i>Churchill Vill., L.L.C. v. Gen. Elec.</i> , 361 F.3d 566 (9th Cir. 2004) .....	14
<i>Class Plaintiffs v. City of Seattle</i> , 955 F.2d 1268 (9th Cir. 1992) .....	10
<i>Columbus Drywall &amp; Insulation, Inc. v. Masco Corp.</i> , 258 F.R.D. 545 (N.D. Ga. 2007) .....	24
<i>Danis v. USN Commc’ns, Inc.</i> , 189 F.R.D. 391 (N.D. Ill. 1999) .....	21
<i>Erica P. John Fund, Inc. v. Halliburton Co.</i> , 563 U.S. 804 (2011) .....	23
<i>Fernandez v. Victoria Secret Stores, LLC</i> , No. CV 06-04149 MMM (SHx), 2008 WL 8150856 (C.D. Cal. July 21, 2008) .....	12
<i>Fraley v. Facebook, Inc.</i> , No. CV-11-01726 RS, 2012 WL 6013427 (N.D. Cal. Dec. 3, 2012) .....	10
<i>Gittin v. KCI USA, Inc.</i> , No 09-CV-05843 RS, 2011 WL 1467360 (N.D. Cal. Apr. 12, 2011).....	25
<i>Hanlon v. Chrysler Corp.</i> , 150 F.3d 1011 (9th Cir. 1998) .....	18, 22

1	<i>Hanon v. Dataproducts Corp.</i> ,	
2	976 F.2d 497 (9th Cir. 1992) .....	21
3	<i>Harris v. Palm Springs Alpine Estates, Inc.</i> ,	
4	329 F.2d 909 (9th Cir. 1964) .....	19
5	<i>Hicks v. Morgan Stanley</i> ,	
6	No. 01 CIV. 10071 (RJH), 2005 WL 2757792 (S.D.N.Y. Oct. 24, 2005) .....	11, 16
7	<i>Hodges v. Akeena Solar Inc.</i> ,	
8	274 F.R.D. 259 (N.D. Cal. 2011) .....	18, 21
9	<i>In re Adobe Sys., Inc. Sec. Litig.</i> ,	
10	139 F.R.D. 150 (N.D. Cal. 1991) .....	19
11	<i>In re Audioeye, Inc., Sec. Litig.</i> ,	
12	No. CV-15-00163-TUC-DCB, 2017 WL 5514690 (D. Ariz. May 8, 2017) .....	17
13	<i>In re Banc of Cal. Sec. Litig.</i> ,	
14	No. SA CV 17-118-DMG (DFMx), 2020 WL 1283486 (C.D. Cal. Mar. 16, 2020) .....	17
15	<i>In re Cabletron Sys., Inc. Sec. Litig.</i> ,	
16	239 F.R.D. 30 (D.N.H. 2006) .....	29
17	<i>In re Chiron Corp. Sec. Litig.</i> ,	
18	2007 WL 4249902 (N.D. Cal. Nov. 30, 2007) .....	18
19	<i>In re Cooper Cos. Inc. Sec. Litig.</i> ,	
20	254 F.R.D. 628 (C.D. Cal. 2009) .....	18, 21, 25
21	<i>In re Diet Drugs</i> ,	
22	Nos. 1203, 99-20593, 2000 WL 1222042, (E.D. Pa. Aug. 28, 2000) .....	24
23	<i>In re Emulex Corp. Sec. Litig.</i> ,	
24	210 F.R.D. 717 (C.D. Cal. 2002) .....	25
25	<i>In re Heritage Bond Litig.</i> ,	
26	No. CV 01-5752 DT (RCX), 2005 WL 1594389 (C.D. Cal. June 10, 2005) .....	17
27	<i>In re Ikon Office Solutions, Inc. Sec. Litig.</i> ,	
28	194 F.R.D. 166 (E.D. Pa. 2000) .....	27
	<i>In re Immune Response Sec. Litig.</i> ,	
	497 F. Supp. 2d 1166 (S.D. Cal. 2007) .....	14
	<i>In re Indep. Energy Holdings PLC Sec. Litig.</i> ,	
	No. 00 CIV. 6689 (SAS), 2003 WL 22244676 (S.D.N.Y. Sept. 29, 2003) .....	11, 16
	<i>In re Initial Pub. Offering Sec. Litig.</i> ,	
	226 F.R.D. 186 (S.D.N.Y. 2005) .....	24
	<i>In re Initial Pub. Offering Sec. Litig.</i> ,	
	260 F.R.D. 81 (S.D.N.Y. 2009) .....	24

1	<i>In re Inter-Op Hip Prosthesis Liab. Litig.</i> ,	
2	204 F.R.D. 330 (N.D. Ohio 2001).....	24
3	<i>In re K12 Inc. Sec. Litig.</i> ,	
4	No. 4:16-cv-04069-PJH, 2019 WL 3766420 (N.D. Cal. July 10, 2019).....	17
5	<i>In re LDK Solar Sec. Litig.</i> ,	
6	255 F.R.D. 519 (N.D. Cal. 2009) .....	23, 25
7	<i>In re LendingClub Sec. Litig.</i> ,	
8	282 F. Supp. 3d 1171 (N.D. Cal. 2017).....	22, 23
9	<i>In re OCZ Technology Group, Inc. Sec. Litig.</i> ,	
10	No. 12-cv-05265-RS (N.D. Cal. Arp. 9, 2015) (ECF No. 96) .....	18
11	<i>In re OmniVision Techs., Inc.</i> ,	
12	559 F. Supp. 2d 1036 (N.D. Cal. 2008).....	12
13	<i>In re Online DVD-Rental Antitrust Litig.</i> ,	
14	779 F.3d 934 (9th Cir. 2015).....	29
15	<i>In re Pac. Enters. Sec. Litig.</i> ,	
16	47 F.3d 373 (9th Cir. 1995).....	17
17	<i>In re Portal Software, Inc. Sec. Litig.</i> ,	
18	No. C-03-5138 VRW, 2007 WL 1991529 (N.D. Cal. June 30, 2007) .....	14, 20, 29
19	<i>In re Seagate Tech. II Sec. Litig.</i> ,	
20	843 F. Supp. 1341 (N.D. Cal. 1994).....	19
21	<i>In re Sorbates Direct Purchaser Antitrust Litig.</i> ,	
22	Nos. C 98-4886MMC et al., 2002 WL 31655191 (N.D. Cal. Nov. 15, 2002) .....	29
23	<i>In re Tableware Antitrust Litig.</i> ,	
24	484 F. Supp. 2d 1078 (N.D. Cal. 2007).....	10
25	<i>In re Tyco Int'l, Ltd. Multidistrict Litig.</i> ,	
26	535 F. Supp. 2d 249 (D.N.H. 2007) .....	26
27	<i>In re UTStarcom, Inc. Sec. Litig.</i> ,	
28	No. C 04- 04908 JW, 2010 WL 1945737 (N.D. Cal. May 12, 2010) .....	18, 19, 21, 25
	<i>Int'l Brotherhood of Elec. Workers Local 697 Pension Fund v. Int'l Game Tech., Inc.</i> ,	
	No. 3:09-cv-00419-MMD-WGC, 2012 WL 5199742 (D. Nev. Oct. 19, 2012) .....	12
	<i>Lerwill v. Inflight Motion Pictures, Inc.</i> ,	
	582 F.2d 507 (9th Cir. 1978).....	22
	<i>Linney v. Cellular Alaska P'ship</i> ,	
	151 F.3d 1234 (9th Cir. 1998).....	10
	<i>Linney v. Cellular Alaska P'ship</i> ,	
	No. C-96-3008 DLJ, 1997 WL 450064 (N.D. Cal. July 18, 1997) .....	11

1	<i>Louie v. Kaiser Found. Health Plan, Inc.</i> ,	
2	No. 08-cv-0795 IEG RBB, 2008 WL 4473183 (S.D. Cal. Oct. 6, 2008).....	14
3	<i>Morris v. Lifescan, Inc.</i> ,	
4	54 F. App'x 663 (9th Cir. 2003).....	17
5	<i>Murillo v. Pac. Gas &amp; Elec. Co.</i> ,	
6	266 F.R.D. 468 (E.D. Cal. 2010).....	24
7	<i>O'Keefe v. Mercedes-Benz USA, LLC</i> ,	
8	214 F.R.D. 266 (E.D. Pa. 2003) .....	24
9	<i>Parsons v. Ryan</i> ,	
10	754 F.3d 657 (9th Cir. 2014).....	24
11	<i>Perez-Funez v. Dist. Director, I.N.S.</i> ,	
12	611 F. Supp. 990 (C.D. Cal. 1984).....	19
13	<i>Ramirez v. DeCoster</i> , 203 F.R.D. 30 (D. Me. 2001).....	24
14	<i>Satchell v. Federal Express Corp.</i> ,	
15	Nos. C 03-2659 SI, C 03-2878 SI, 2007 WL 1114010 (N.D. Cal. Apr. 13, 2007) .....	10, 11
16	<i>Schleicher v. Wendt</i> ,	
17	618 F.3d 679 (7th Cir. 2010).....	25
18	<i>Schwartz v. Harp</i> ,	
19	108 F.R.D. 279 (C.D. Cal. 1985).....	19
20	<i>Tawfilis v. Allergan, Inc.</i> ,	
21	No. 8:15-cv-00307-JLS-JCG, 2018 WL 4849716 (C.D. Cal. Aug. 27, 2018).....	17
22	<i>Vathana v. EverBank</i> ,	
23	No. C 09-02338 RS, 2010 WL 934219 (N.D. Cal. Mar. 15, 2010).....	23
24	<i>Wahl v. Am. Sec. Ins. Co.</i> ,	
25	No. C08-00555-RS, 2011 U.S. Dist. LEXIS 59559 (N.D. Cal. June 2, 2011).....	25
26	<i>Wehner v. Syntex Corp.</i> ,	
27	117 F.R.D. 641 (N.D. Cal. 1987) .....	20
28	<i>Welling v. Alexy</i> ,	
	155 F.R.D. 654 (N.D. Cal. 1994) .....	19
	<i>West v. Circle K Stores, Inc.</i> ,	
	No. S-04-0438 WBS GGH, 2006 WL 1652598 (E.D. Cal. June 13, 2006).....	10, 13, 21, 29
	<i>Yamner v. Boich</i> ,	
	No. C-92-20597 RPA, 1994 WL 514035 (N.D. Cal. Sept. 15, 1994).....	19
	<i>Ybarrondo v. NCO Fin. Sys., Inc.</i> ,	
	No. 05cv2057-L(JMA), 2009 WL 3612864 (S.D. Cal. Oct. 28, 2009).....	24

1 *Young v. Polo Retail, LLC*,  
2 No. C-02-4546 VRW, 2006 WL 3050861 (N.D. Cal. Oct. 25, 2006)..... 12

3 **Statutes**

4 15 U.S.C. §78u-4(a)(7) ..... 26

5 **Treatises**

6 *Manual for Complex Litigation*, Second (1985)..... 10

**NOTICE OF MOTION AND MOTION****TO: ALL PARTIES AND THEIR RESPECTIVE COUNSEL OF RECORD**

PLEASE TAKE NOTICE that on April 30, 2020 at 1:30 p.m., or as soon thereafter as counsel may be heard before the Honorable Richard Seeborg, United States District Judge, at the United States Courthouse, United States District Court, Northern District of California, 450 Golden Gate Ave., San Francisco, California, Lead Plaintiff Trigon Trading Pty. Ltd. (“Trigon” or “Federal Lead Plaintiff”), and plaintiffs Pumaro LLC, Artiom Frunze, Hayden Hsiung, and Gijs Master (collectively, the “Federal Plaintiffs”), will and do hereby move for an order: (1) preliminarily approving the proposed settlement of this Action; (2) preliminarily certifying a class for purposes of implementing the proposed settlement; (3) approving the form and manner of giving notice of the proposed settlement to the Settlement Class; and (4) scheduling a hearing before the Court to determine whether the proposed settlement, and Lead Counsel’s application for an award of attorneys’ fees and reimbursement of Litigation Expenses, should be granted final approval.

The grounds for this motion are that the proposed settlement is within the range of what could be found to be fair, reasonable, and adequate so that notice of its terms may be disseminated to members of the proposed Settlement Class and a hearing for final approval of the proposed settlement scheduled.

This motion is supported by the following memorandum of points and authorities in support thereof, and the Stipulation of Settlement (“Settlement Agreement” or “Stipulation”) dated March 16, 2020, and exhibits thereto which embody the terms of the proposed settlement between the

parties, submitted herewith, the previous filings and orders in this case, and such other and further representations as may be made by Counsel at any hearing on this matter.<sup>1</sup>

### STATEMENT OF ISSUES TO BE DECIDED

1. Whether the proposed \$25,000,000 settlement of this Action is within the range of fairness, reasonableness, and adequacy to warrant the Court's preliminary approval and the dissemination of notice of its terms to members of the proposed Settlement Class.

2. Whether a Settlement Class should be preliminarily certified for purposes of settlement.

3. Whether the proposed form of settlement notice and proof of claim and release form and the manner for dissemination to the Members of the Settlement Class should be approved.

4. Whether the Court should set a date for a hearing for final approval of the proposed settlement and the application of Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses.

### MEMORANDUM OF POINTS AND AUTHORITIES

#### I. PRELIMINARY STATEMENT

Lead Plaintiff Trigon and Plaintiffs Pumaro LLC, Artiom Frunze, Hayden Hsiung, and Gijs Master respectfully submit this memorandum of points and authorities in support of their motion, pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, for preliminary approval of the proposed settlement (the "Settlement") of this class action. The Settlement is made in conjunction with the related State Litigation (as defined herein) involving State Class Plaintiff Andrew Baker ("Baker" or the "State Class Plaintiff") (together with the Federal Plaintiffs, "Plaintiffs") and the

---

<sup>1</sup> Unless otherwise indicated, capitalized terms shall have their meaning as defined in the Stipulation.

1 same Defendants. This settlement will resolve all pending litigation in the United States involving  
2 Defendants.

3 The Settlement, as set forth in the Stipulation of Settlement dated as of March 16, 2020 (the  
4 “Settlement Agreement” or “Stipulation”) and filed contemporaneously herewith, provides for the  
5 payment of \$25 million in cash for the benefit of the Settlement Class.<sup>2</sup> Plaintiffs submit that the  
6 Settlement represents an excellent result for the Settlement Class and ultimately should be approved  
7 by this Court, especially when viewed in light of the substantial challenges the Settlement  
8 Class would face in establishing Defendants’ liability, demonstrating the full amount of the  
9 Settlement Class’ damages, and actually collecting any amount that may be awarded.  
10

#### 11 **A. Statement of Facts**

12 The allegations and claims in this Action are familiar to the Court, and Federal Plaintiffs  
13 therefore provide only a brief overview at this preliminary approval stage. Additional details  
14 regarding Plaintiffs’ extensive prosecution of this case for over two years—including document  
15 discovery from Defendants and third-parties, filing motions to compel, opposing motions to dismiss,  
16 and moving for class certification—will be provided in connection with Plaintiffs seeking final  
17 approval of the Settlement, in the event the Court grants preliminary approval such that notice of the  
18 proposed Settlement may be sent to potential Settlement Class Members, as requested herein.  
19  
20

---

21 <sup>2</sup> The Settlement Class is defined in the Settlement Agreement as “all persons and entities who,  
22 directly or through an intermediary, contributed bitcoin and/or ether to what Plaintiffs describe as the  
23 Tezos blockchain ‘Initial Coin Offering’ and what Defendants describe as a fundraiser conducted  
24 between July 1, 2017 and July 13, 2017, inclusive. Excluded from the Settlement Class are: (i)  
25 Defendants; (ii) members of the immediate family of Arthur Breitman, Kathleen Breitman, Johann  
26 Gevers, or Timothy Draper; (iii) any person who was an officer or director of the Foundation, DLS,  
27 Draper Associates, or Bitcoin Suisse during the Fundraiser and any members of their immediate  
28 families; (iv) any parent, subsidiary, or affiliate of the Foundation, DLS, Draper Associates, or  
Bitcoin Suisse; (v) any firm, trust, corporation, or other entity in which any Defendant or any other  
excluded person or entity had a controlling interest during the Fundraiser; and (vi) the legal  
representatives, agents, affiliates, heirs, successors-in-interest, or assigns of any such excluded  
persons or entities. Also excluded from the Settlement Class are those Persons who timely and  
validly request exclusion.” Settlement Agreement, at ¶1.28.

The fundamental allegation in this case is that for over two weeks in July 2017, Defendants unlawfully conducted an Initial Coin Offering (ICO)<sup>3</sup> for Tezos “tokens” (also referred to as “XTZ” or “tezzies”) during which investors contributed digital currencies, including Bitcoin and/or Ethereum, in exchange for Tezos tokens. In the first 15 hours alone, Defendants collected \$109 million worth of Bitcoin and Ethereum from investors. Upon its completion, the Tezos ICO was the largest in history, with Defendants having collected the equivalent of \$232 million in Bitcoin and Ethereum (at July 2017 prices). Since the ICO, the value of the contributed Bitcoin and Ethereum fluctuated significantly and reached a value of more than \$1.52 billion on January 7, 2018.

Federal securities laws require any security that is offered or sold to be registered with the Securities and Exchange Commission (“SEC”). These laws are designed to protect the public by requiring various disclosures so that investors can better understand the security that is being offered or sold. Under Section 2(a)(1) of the Securities Act of 1933 (“Securities Act”), a “security” is defined to include an “investent contract.”<sup>4</sup>

## **B. Procedural History**

### **1. The Federal Litigation**

This Action was commenced on November 26, 2017. [ECF No. 1.] By Order dated March 16, 2018, the Court consolidated the related actions,<sup>5</sup> appointed Arman Anvari (“Anvari”) as the lead plaintiff, and approved LTL Attorneys LLP and Hung G. Ta, Esq. PLLC as Lead Counsel. See Order Regarding Consolidation, Appointment Of Lead Plaintiff, And Selection Of Lead Counsel [ECF No. 101]. On April 3, 2018, Anvari filed the Consolidated Complaint For Violations Of The Federal

<sup>3</sup> An ICO is similar to an initial public offering of stock and is a fundraising mechanism by which the founders of a “blockchain” project sell “tokens” or “coins” in exchange for cryptocurrencies or for fiat currencies (such as U.S. Dollars). ¶¶1-2. All “¶” cites refer to Lead Plaintiffs’ Consolidated Complaint For Violations Of The Federal Securities Laws (the “Complaint”). [ECF No. 108.]

<sup>4</sup> See ¶ 3.

<sup>5</sup> See *GGCC, LLC v. Dynamic Ledger Sols., Inc.*, Case No. 3:17-cv-06779, United States District Court, Northern District of California (filed November 26, 2017); *Okusko v. Dynamic Ledger Sols., Inc.*, Case No. 3:17-cv-06829, United States District Court, Northern District of California (filed November 28, 2017); and *MacDonald v. Dynamic Ledger Sols., Inc.*, Case No. 3:17-cv-7095, United States District Court, Northern District of California (filed December 13, 2017).

1 Securities Laws. See Consolidated Complaint [ECF No. 108]. The Consolidated Complaint asserted  
2 claims under §§5 and 12(a)(1) of the Securities Act of 1933 (the “Securities Act”), and under §15 of  
3 the Securities Act, on behalf of a class of all investors who contributed digital currencies, including  
4 Bitcoin and/or Ethereum, to the Tezos ICO. The named defendants included Defendants Dynamic  
5 Ledger Solutions, Inc. (“DLS”), Tezos Stiftung (“Tezos Foundation”), Kathleen and Arthur  
6 Breitman (the “Breitmans”), Timothy Cook Draper (“Draper”), Draper Associates V Crypto LLC  
7 (“Draper Associates Crypto”), and Bitcoin Suisse AG (“Bitcoin Suisse”).

9 On May 15, 2018, motions to dismiss were filed on behalf of Tezos Stiftung [ECF Nos. 119-  
10 122], DLS [ECF Nos. 123-125], the Draper Defendants [ECF No. 117], and Bitcoin Suisse AG [ECF  
11 No. 126] arguing that the Complaint failed to state a claim upon which relief could be granted. [ECF  
12 Nos. 119-126]. On June 8, 2018, Plaintiffs filed oppositions to the motions [ECF Nos. 131-135], and  
13 Defendants filed reply briefs on June 29, 2018 [ECF Nos. 137-140].

15 On August 7, 2018, the Court granted in part and denied in part Defendants’ motions. [ECF  
16 No. 148]. The Court’s Order dismissed all claims asserted against Bitcoin Suisse without leave to  
17 amend and against the Draper Defendants with leave to amend. The Court’s Order sustained the  
18 claims against DLS, the Tezos Foundation, and the Breitmans.

19 On September 6, 2018, the Court entered a Case Management Scheduling Order which set  
20 deadlines for, among other things, the class certification briefing and completion of discovery. [ECF  
21 No. 165]. Defendants answered the Complaint on September 14, 2018 [ECF Nos. 168-171].

23 On January 23, 2019, Plaintiffs Artiom Frunze and Pumaro LLC filed a motion for class  
24 certification, [ECF Nos. 193-195]. Shortly thereafter, on January 25, 2019, Anvari sought to  
25 withdraw as lead plaintiff, and to substitute in his place named plaintiff Artiom Frunze. [ECF No.  
26 196]. Class member Trigon Trading Pty. Ltd. opposed the motion, and instead sought to appoint  
27 itself lead plaintiff in a competing motion. [ECF No. 198]. The Court granted the motion to withdraw  
28

1 Anvari as lead plaintiff, denied the motion to substitute Anvari with Frunze as lead plaintiff, and  
2 granted the motion to substitute Trigon as lead plaintiff. The Court also ordered that Trigon's counsel  
3 Block & Leviton LLP and Anvari's counsel Hung G. Ta, Esq. PLLC serve as co-lead counsel going  
4 forward and denied the pending class certification motion without prejudice. [ECF No. 213].

5 The Court's August 7, 2018 Order denying in part Defendants' motion to dismiss the  
6 Complaint lifted the mandatory discovery stay imposed pursuant to the Private Securities Litigation  
7 Reform Act of 1995 ("PSLRA"), and lead plaintiff Anvari (and later Trigon) commenced discovery.  
8 Over the course of the litigation, Federal Plaintiffs' discovery efforts included, among other things:  
9 (1) serving and responding to multiple document requests, interrogatories and requests for  
10 admissions; (2) issuing document subpoenas to third parties; (3) reviewing and analyzing documents  
11 received from Defendants and non-parties; (4) preparing Plaintiffs Anvari, Pumaro LLC, and Frunze  
12 for deposition and attending their depositions; (5) preparing and filing multiple motions concerning  
13 the parties' discovery disputes [ECF Nos. 219; 222; 231; 235; 237]; (6) negotiating a Stipulated  
14 Protective Order and subsequent amendments [ECF Nos. 177-178; 217; 224-225; 228-230]; (7)  
15 engaging in multiple in-person and telephonic meet and confer conferences with Defendants; and (8)  
16 preparing a Freedom of Information Act request to the SEC for documents pertaining to the Tezos  
17 ICO.  
18

19 From August 2018 through October 2019, the parties engaged in a comprehensive fact  
20 discovery process. Following a November 22, 2019 mediation, the parties reached an agreement-in-  
21 principle to settle the case.  
22

## 23 **2. The State Litigation**

24 The State Litigation began with a complaint filed by Andrew Baker in San Francisco  
25 Superior Court on October 25, 2017, also alleging that the ICO constituted an offering of  
26 unregistered securities. *Baker v. Dynamic Ledger Solutions, Inc. et al.*, Superior Court of California,  
27  
28

1 County Francisco, Case No. CGC-17562144. Defendants removed the case to the U.S. District Court  
2 for the Northern District of California where it was ultimately assigned to this Court, prior to  
3 consolidation. *GGCC, LLC v. Dynamic Ledger Solutions, Inc.*, No. 17-cv-06779-RS, 2018 WL  
4 1388488, at \*1 (N.D. Cal. Mar. 16, 2018). Baker moved to remand the case to California state court.  
5

6 While the motion to dismiss in the federal case was pending, this Court remanded Baker's  
7 complaint to San Francisco Superior Court on April 1, 2018 following the Supreme Court's ruling in  
8 *Cyan*, a case that clarified that federal securities cases could be heard in state courts.

9 Baker then filed a First Amended Complaint which, like the federal case, asserted violations  
10 of Sections 5 and 12(a)(1) of the Securities Act, as well as a claim for control person liability under  
11 Section 15 of the Securities Act against the same defendants. Baker also began serving discovery  
12 requests on DLS.  
13

14 After the *Cyan* decision, Trigon also filed a new action in San Mateo Superior Court on April  
15 24, 2018 asserting the same securities law claims (violation of Sections 5 and 12(a)(1) of the  
16 Securities Act) on behalf of the same class. *Trigon Trading Pty. Ltd., et al. v. Dynamic Ledger*  
17 *Solutions, Inc., et al.*, Superior Court of California, County of San Mateo, Case No. 18CIV02045.  
18 DLS and the Draper Defendants moved to stay both the *Baker* and *Trigon* actions, and the courts in  
19 both cases stayed the case pending the resolution of a coordination petition filed by Trigon. On  
20 August 16, 2018, the Judicial Council ordered the *Baker* and *Trigon* actions coordinated, after which  
21 the two actions proceeded in a coordinated manner ("State Coordinated Proceeding"). After the first  
22 status conference in the State Coordinated Proceeding held on October 22, 2018, the parties  
23 negotiated a protective order and ESI protocol.  
24

25 Following its lead plaintiff appointment in the instant federal action, Trigon requested  
26 dismissal without prejudice from the State Coordinated Proceeding on June 25, 2019, which the  
27 court granted on June 26, 2019. Thereafter, and after multiple rounds of demurrer briefing, a  
28

renewed motion to stay, and briefing regarding jurisdiction and service of process on the Tezos Foundation, the parties in the State Coordinated Proceeding joined the federal case parties in the November 22, 2019 mediation and likewise reached an agreement-in-principle to settle the case.

### C. Settlement Negotiations

Throughout this Action, the parties engaged in arm's length settlement discussions. On December 14, 2018, the parties conducted the first mediation in San Francisco, California with Eric Green acting as the mediator. The mediation was unsuccessful.

On November 22, 2019, the parties conducted a second mediation in New York with the assistance of the Hon. Layn Phillips, a former United States District Judge and a well-regarded private mediator with Phillips ADR Enterprises ("Phillips ADR"), who has considerable knowledge and expertise in the field of federal securities law.<sup>6</sup> Prior to this mediation session, Plaintiffs and Defendants exchanged lengthy mediation statements on the salient factual and legal issues expected to arise during the discussions. During the full-day session, the parties presented their respective legal positions in the case, and submitted liability and damages figures and analyses.

During these discussions, the parties discussed damages and the definition and scope of the class, among other things. Ultimately, the parties reached an agreement-in-principle that led to this Settlement. The entire process involved significant disputed issues, and even after an agreement-in-principle had been reached, negotiations about specific terms of the settlement agreement continued.

---

<sup>6</sup> According to the Phillips ADR website, for the last decade, Judge Phillips has presided over cases that have collectively resulted in several billion dollars in settlements annually. As a judge, he presided over more than 140 trials in Oklahoma, New Mexico, and Texas. He also sat by designation on the United States Court of Appeals for the Tenth Circuit in Denver, Colorado, where he participated in numerous panel decisions and published opinions. As a result of his trial work, Judge Phillips was elected into the American College of Trial Lawyers. He has the dual honor of being named by LawDragon Magazine as one of the "Leading Judges in America" and as one of the "Leading Litigation Attorneys in America." In August 2016, Judge Phillips was named as one of the top seven mediators in the United States of America by Chambers and Partners. [see <http://www.phillipsadr.com/bios/layn-phillips/>].

## II. THE PROPOSED SETTLEMENT

### A. Settlement Consideration

The Settlement provides that the Tezos Foundation will pay \$25 million in cash into an Escrow Account for the benefit of the Settlement Class. This Settlement consideration, after the deduction of any attorneys' fees and Litigation Expenses provided for in the Settlement Agreement or approved by the Court and less Notice and Administration Expenses, Taxes and Tax Expenses, and other Court-approved deductions (the "Net Settlement Fund"), will be distributed among Settlement Class Members who submit timely and valid Proof of Claim and Release Forms ("Authorized Claimants"), in accordance with the Plan of Allocation set forth in the Notice.

Plaintiffs believe that the proposed Settlement is an excellent recovery on the claims asserted in this Action, and is in all respects fair, adequate, reasonable, and in the best interests of the Settlement Class.

### B. Plan of Allocation

Under the Plan of Allocation, the Claims Administrator, selected by Plaintiffs for Court approval after a rigorous competitive proposal process, will calculate each Authorized Claimant's claim amount based on the information supplied in each Person's Proof of Claim and Release. The Net Settlement Fund will be allocated *pro rata* based on the amount of each Authorized Claimant's Recognized Claim as calculated by the Claims Administrator under the Plan of Allocation.

The structure of the Plan of Allocation, which is appended in full to the Notice, allows for the equitable distribution of the Net Settlement Fund to those Settlement Class Members who suffered economic losses as a result of the alleged violations of the federal securities laws. The Plan of Allocation allocates the Net Settlement Fund to Settlement Class Members on a *pro rata* basis after determining the Settlement Class Members' Recognized Loss Amounts (based primarily on the difference in the genesis block XTZ price at the time of purchase or acquisition and at the time of

1 sale). The Plan of Allocation also takes into consideration the form of payment that an Authorized  
 2 Claimant used to purchase his/her/its XTZ tokens (i.e., Bitcoin or Ethereum), and, if the claimant  
 3 sold the tokens, when the tokens were sold. The Plan of Allocation was determined with the  
 4 assistance of Plaintiffs' expert, Chad Coffman, of Global Economics Group. Plaintiffs submit that  
 5 the Plan is fair and reasonable and should be approved together with the Settlement at the Settlement  
 6 Hearing.  
 7

### 8 III. ARGUMENT

#### 9 A. The Court Should Grant Preliminary Approval of The Proposed Settlement

10 Strong judicial policy favors settlement of class actions. *Class Plaintiffs v. City of Seattle*,  
 11 955 F.2d 1268, 1276 (9th Cir. 1992); *Linney v. Cellular Alaska P'ship*, 151 F.3d 1234, 1238 (9th Cir.  
 12 1998); *West v. Circle K Stores, Inc.*, No. S-04-0438 WBS GGH, 2006 WL 1652598, at \*1 (E.D. Cal.  
 13 June 13, 2006). Settlements of complex cases greatly contribute to the efficient utilization of scarce  
 14 judicial resources and achieve the speedy resolution of justice.

15 A motion seeking preliminary approval of a settlement agreement in a putative class action  
 16 may be granted if, "[1] the proposed settlement appears to be the product of serious, informed,  
 17 noncollusive negotiations, [2] has no obvious deficiencies, [3] does not improperly grant preferential  
 18 treatment to class representatives or segments of the class, and [4] falls with the range of possible  
 19 approval ...." *In re Tableware Antitrust Litig.*, 484 F. Supp. 2d 1078, 1079 (N.D. Cal. 2007) (citing  
 20 *Manual for Complex Litigation*, Second § 30.44 (1985)).<sup>7</sup> Because some of the factors bearing on the  
 21 propriety of a settlement cannot be assessed prior to the final approval hearing, "a full fairness  
 22 analysis is unnecessary at this stage." *Alberto v. GMRI, Inc.*, 252 F.R.D. 652, 665 (E.D. Cal. 2008).  
 23 Applying these standards, the Settlement should be preliminarily approved.

24  
 25 <sup>7</sup> See also *Fraley v. Facebook, Inc.*, No. CV-11-01726 RS, 2012 WL 6013427, at \* 1 (N.D. Cal.  
 26 Dec. 3, 2012) (granting preliminary approval after finding proposed settlement was non-collusive,  
 27 had no obvious defects, and was within the range of possible settlement approval); *Satchell v.*  
 28 *Federal Express Corp.*, Nos. C 03-2659 SI, C 03-2878 SI, 2007 WL 1114010, at \*4 (N.D. Cal. Apr.  
 13, 2007) (same).

1           **1.       The Proposed Settlement Is The Product Of Good Faith, Arm's Length**  
 2           **Negotiations Among Experienced Counsel Mediated By An Experienced Private**  
 3           **Mediator**

4           “The involvement of experienced class action counsel and the fact that the settlement  
 5 agreement was reached in arm's length negotiations, after relevant discovery had taken place creates  
 6 a presumption that the agreement is fair.” *Linney v. Cellular Alaska P'ship*, No. C-96-3008 DLJ,  
 7 1997 WL 450064, at \*5 (N.D. Cal. July 18, 1997). The procedural history of this Action, as  
 8 summarized above, clearly reflects an adversarial and contentious relationship among the parties.  
 9 This Action was filed more than two years ago, and the parties have engaged in vigorous litigation  
 10 since then, involving extensive motion practice by the parties and comprehensive fact discovery. The  
 11 Settlement was reached only after a burdensome process of analyzing the evidence and contesting  
 12 pertinent legal issues.

13           There were numerous issues in this Action that caused the parties to have different views of  
 14 the settlement value of this case. These issues included: (1) whether the Tezos tokens are securities;  
 15 (2) whether investors were bound by the so-called “Contribution Terms”; (3) whether Defendants are  
 16 “sellers” under Section 12(a)(1); (4) whether the Breitmans are controlling persons under Section 15;  
 17 and (5) whether the Securities Act applies under *Morrison*.

18           The mediation process also demonstrates that the Settlement was hard-fought and negotiated  
 19 at arm's-length. The fact that the initial mediation session was unsuccessful, and required further  
 20 negotiations, supports an inference that the Settlement was the product of arm's-length negotiations.  
 21 *See, e.g., Hicks v. Morgan Stanley*, No. 01 CIV. 10071 (RJH), 2005 WL 2757792, at \*5 (S.D.N.Y.  
 22 Oct. 24, 2005) (“A breakdown in settlement negotiations can tend to display the negotiation's arms-  
 23 length and non-collusive nature.”) (citation omitted). Both the first and second mediations were  
 24 conducted by an experienced mediator. As courts in this district and elsewhere have found, “[t]he  
 25 assistance of an experienced mediator in the settlement process confirms that the settlement is non-  
 26 collusive.” *Satchell*, 2007 WL 1114010, at \*4; *see also In re Indep. Energy Holdings PLC Sec.*  
 27 *Litig.*, No. 00 CIV. 6689 (SAS), 2003 WL 22244676, at \*4 (S.D.N.Y. Sept. 29, 2003) (“the fact that  
 28 the Settlement was reached after exhaustive arm's-length negotiations, with the assistance of a

private mediator experienced in complex litigation, is further proof that it is fair and reasonable”) (citation omitted).

During each of the mediations and follow-up, the parties fully explored the strengths and weaknesses of their respective claims and defenses, as well as the benefits of settlement. Negotiations focused on the highly complex and heavily disputed issues of class size and the proper measure of damages, if any. Estimates of total damages presented by the parties during mediation discussions ranged from less than \$1 million to over \$150 million US dollars. Throughout this process, Plaintiffs were actively involved and informed of the negotiations.

Courts have given considerable weight to the opinion of experienced and informed counsel who support settlement. In deciding whether to approve a proposed settlement of a class action, “[t]he recommendations of plaintiffs’ counsel should be given a presumption of reasonableness.” *In re OmniVision Techs., Inc.*, 559 F. Supp. 2d 1036, 1043 (N.D. Cal. 2008) (citation omitted). In *OmniVision*, the court held that the recommendation of counsel weighed in favor of settlement given their familiarity with the dispute and their significant experience in securities litigation. *Id.*; see also *Int’l Brotherhood of Elec. Workers Local 697 Pension Fund v. Int’l Game Tech., Inc.*, No. 3:09-cv-00419-MMD-WGC, 2012 WL 5199742, at \*3 (D. Nev. Oct. 19, 2012); *Fernandez v. Victoria Secret Stores, LLC*, No. CV 06-04149 MMM (SHx), 2008 WL 8150856, at \*7 (C.D. Cal. July 21, 2008). Lead Counsel likewise has a thorough understanding of the merits of the Action and extensive experience in securities litigation. Lead Counsels’ (and Plaintiffs’) recommendation as to the fairness and reasonableness of this Settlement warrants a presumption of reasonableness.

## **2. The Proposed Settlement Has No Obvious Deficiencies And Does Not Improperly Grant Preferential Treatment To Class Representatives Or Segments Of The Settlement Class**

The Settlement “has no obvious deficiencies [and] does not improperly grant preferential treatment to class representatives or segments of the class[.]” *Young v. Polo Retail, LLC*, No. C-02-4546 VRW, 2006 WL 3050861, at \*5 (N.D. Cal. Oct. 25, 2006) (citation omitted). As discussed above, the \$25,000,000 recovery constitutes a significant and certain benefit for Settlement Class

Members. Plaintiffs will receive a distribution from the Net Settlement Fund in accordance with the Plan of Allocation in the same manner as distributions to all other Settlement Class Members, and may also seek reimbursement of their costs and expenses for service as Plaintiffs for the benefit of the Settlement Class, as authorized by the PSLRA. Subject to the approval of the Court, and pursuant to approval of the Federal Plaintiffs, Federal and State Lead Counsel expect to apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in an amount not to exceed one-third of the Settlement Fund, or \$8,333,333. In addition, Lead Counsel will seek payment in an amount not to exceed \$300,000 for Litigation Expenses reasonably incurred while prosecuting this action.

In sum, nothing in the course of the settlement negotiations or the terms of the Settlement itself evidence grounds to doubt its fairness. Rather, the substantial recovery to the Settlement Class, the arm's-length nature of the negotiations, and the participation of sophisticated counsel throughout the Action support a finding that the proposed Settlement is sufficiently fair, reasonable, and adequate to justify notice to the Settlement Class and a hearing on final approval. Federal Plaintiffs respectfully request preliminary approval of the Settlement.

### **3. The Proposed Settlement Falls Well Within The Range Of Reasonableness And Warrants Notice And A Hearing On Final Approval**

"[A]t this preliminary approval stage, the court need only 'determine whether the proposed settlement is within the range of possible approval.'" *West*, 2006 WL 1652598, at \*11 (citation omitted). Federal Plaintiffs believe that the proposed \$25,000,000 Settlement is an excellent result for the Settlement Class in light of all of the risks of continued litigation, and falls well within a range of what is considered fair, reasonable, and adequate.

In considering whether to enter into the Settlement, Plaintiffs, represented by counsel experienced in securities litigation, took into particular account the risks inherent in establishing all of the elements of their claims under the federal securities laws, including in particular recoverable

1 damages, as well as the expense and likely duration of the Action. *See Churchill Vill., L.L.C. v. Gen.*  
2 *Elec.*, 361 F.3d 566, 576 (9th Cir. 2004) (citing risk, expense, complexity, and likely duration of  
3 further litigation as factors supporting final approval of settlement); *see also In re Portal Software,*  
4 *Inc. Sec. Litig.*, No. C-03-5138 VRW, 2007 WL 1991529, at \*6 (N.D. Cal. June 30, 2007) (“Based  
5 on the risk of summary judgment, which defendants had filed before settlement, . . . and the  
6 anticipated expense and complexity of further litigation, the court cannot say that the proposed  
7 settlement is obviously deficient or is not ‘within the range of possible approval.’”) (citation  
8 omitted).

10 Plaintiffs agreed to settle this Action on these terms based on its careful investigation and  
11 evaluation of the facts and law relating to the allegations in the Complaint and consideration of the  
12 facts noted and views expressed by the mediator, Judge Phillips, and Defendants during the  
13 settlement negotiations. *See Louie v. Kaiser Found. Health Plan, Inc.*, No. 08-cv-0795 IEG RBB,  
14 2008 WL 4473183, at \*6 (S.D. Cal. Oct. 6, 2008) (“Class counsels’ extensive investigation,  
15 discovery, and research weighs in favor of preliminary settlement approval.”); *In re Immune*  
16 *Response Sec. Litig.*, 497 F. Supp. 2d 1166, 1173 (S.D. Cal. 2007) (“There is no evidence to suggest  
17 that the settlement amount is not fair and reasonable. Plaintiffs contend that the Parties engaged in  
18 lengthy settlement discussions before two retired judges. Accordingly, the settlement is presumed to  
19 be fair.”).

22 In particular, Plaintiffs were aware that Defendants would argue, for instance, that the  
23 transactions at issue did not involve “securities” as defined under the federal securities laws, and that  
24 such transactions were otherwise exempt from registration. Plaintiffs were also aware that the value  
25 of the blockchain assets at issue could rapidly fluctuate. Thus, Plaintiffs knew that, even if they were  
26 successful, even after trial and appeals, they might actually recover substantially less than the amount  
27 obtained in this Settlement for the benefit of the Settlement Class.

1 Plaintiffs also took into consideration the immediate cash benefits to Settlement Class  
2 Members, the desirability of providing certain and effective relief to Settlement Class Members now,  
3 the attendant risks of continuing with complex litigation, and the uncertainty inherent in establishing  
4 Defendants' liability and collecting any judgment. Indeed, the risk, expense, complexity and likely  
5 duration of further litigation, strongly favor settlement because further litigation would entail  
6 substantial risk to the Settlement Class of recovering nothing. There is no doubt that both sides  
7 would have to present dense and nuanced information, including in the context of a "battle of the  
8 experts." Experts would be required to opine as to the workings of blockchains, accounting issues,  
9 causation, and damages.  
10

11 Additionally, as the Tezos Foundation is based in Switzerland, preparing this case for trial  
12 would require Plaintiffs to conduct substantial discovery at great expense and under foreign  
13 procedures. The results of the trial would almost certainly not end the Action, as one side would  
14 likely appeal, and it is quite possible that both sides would do so in the event that the jury found for  
15 the Settlement Class but awarded substantially less than the damages sought. Absent a settlement,  
16 Settlement Class Members would have to wait substantially longer before they obtained any relief,  
17 even assuming Plaintiffs were successful and overcame every obstacle.  
18

19 Plaintiffs, having considered the myriad risks of continued litigation, respectfully submit that  
20 if the Court preliminarily approves the Settlement, the Court ultimately will find that the Settlement  
21 is fair, reasonable, and adequate and is deserving of final approval.  
22

23 **B. The Proposed Settlement Meets The Requirements of Fed. R. Civ. P. 23(e)(2)**

24 Under Fed. R. Civ. P. 23(e)(2), a proposed settlement should be approved only after the Court  
25 considers whether (A) the class representatives and class counsel have adequately represented the  
26 class; (B) the proposal was negotiated at arm's length; (C) the relief provided for the class is  
27  
28

adequate; and (D) the proposal treats class members equitably relative to each other. Each element is met here.

First, the class has been represented adequately pursuant to Fed. R. Civ. P. 23(e)(2)(A). As explained in detail in Section III.C.4, Federal Plaintiffs and Lead Plaintiff have adequately represented the class by, among other things, reviewing the Complaint, participating in discussions with Co-Lead Counsel; supervising and monitoring court proceedings; providing input as to strategy; sitting for depositions; and participating in discussions about the resolution of this Action. Co-Lead Counsel have also adequately represented the class in the prosecution of this action, as described in detail below.

Second, as required by Fed. R. Civ. P. 23(e)(2)(B), and as explained in detail in Section I.C, the resolution of this Action was reached at arm's length, including through two mediations, including the ultimately successful mediation with Hon. Layn Phillips on November 22, 2019. *See Hicks*, 2005 WL 2757792, at \*5; *Indep. Energy*, 2003 WL 22244676, at \*4.

Third, the relief provided to the class is adequate under the factors described in Fed. R. Civ. P. 23(e)(2)(C)(i)-(iii): (i) the costs, risks, and delay of trial and appeal; (ii) the effectiveness of any proposed method of processing class-member claims; and (iii) the terms of any proposed award of attorney's fees, including timing of payment.

For the reasons described in Section III.A.3, the considerations involved in determining to settle this case took into account the potential costs, risks, and delays associated with trial and appeal.

The payment of claims is also effective. Given the online nature of the claims in this case, payments will be made not only by paper check, but also by wire transfer (including international wire transfer) or through PayPal payment. *See Settlement Agreement*, Ex. A-2 (Claim Form at 4).

Lead Counsel is asking for an award of attorneys' fees not to exceed one-third of the Settlement Amount. This request will be detailed in the Final Approval briefing. No attorneys' fees will be paid until the Court executes the Judgment and an order awarding such fees. *See Stipulation ¶ 7.2*. The Ninth Circuit and numerous district courts have awarded fees of one-third of the

1 settlement in complex class action cases. *Morris v. Lifescan, Inc.*, 54 F. App'x 663, 664 (9th Cir.  
 2 2003) (affirming attorneys' fee award of 33% of a \$14.8 million cash settlement in consumer class  
 3 action); *In re Pac. Enters. Sec. Litig.*, 47 F.3d 373, 379 (9th Cir. 1995) (affirming a fee award of one-  
 4 third of a \$12 million settlement fund in derivative and securities class actions); *In re Banc of Cal.*  
 5 *Sec. Litig.*, No. SA CV 17-118-DMG (DFMx), 2020 WL 1283486, at \*1 (C.D. Cal. Mar. 16, 2020)  
 6 (awarding 33% of \$19.75 million settlement fund in securities class action); *Cheng Jiangchen v.*  
 7 *Rentech, Inc.*, No. CV 17-1490-GW-FFMx, 2019 WL 6001562, at \*1 (C.D. Cal. Nov. 8, 2019)  
 8 (approving 33.3% fee award on settlement of \$2.05 million in securities class action); *In re K12 Inc.*  
 9 *Sec. Litig.*, No. 4:16-cv-04069-PJH, 2019 WL 3766420, at \*1 (N.D. Cal. July 10, 2019) (approving  
 10 33% fee award on settlement of \$3.5 million in securities class action); *Tawfilis v. Allergan, Inc.*, No.  
 11 8:15-cv-00307-JLS-JCG, 2018 WL 4849716, at \*7 (C.D. Cal. Aug. 27, 2018) (awarding one-third of  
 12 \$13.45 million settlement fund in antitrust class action); *In re Audioeye, Inc., Sec. Litig.*, No. CV-15-  
 13 00163-TUC-DCB, 2017 WL 5514690, at \*4 (D. Ariz. May 8, 2017) (approving 33.3% fee award on  
 14 settlement of \$1.525 million in securities class action); *Boyd v. Bank of Am. Corp.*, No. SACV 13-  
 15 0561-DOC (JPRx), 2014 WL 6473804, at \*10 (C.D. Cal. Nov. 18, 2014) (awarding one-third of  
 16 \$5,800,000 in FLSA case); *In re Heritage Bond Litig.*, No. CV 01-5752 DT (RCX), 2005 WL  
 17 1594389, at \*9 (C.D. Cal. June 10, 2005) (awarding one-third of a \$27.78 million settlement fund in  
 18 securities class action). Each of these factors supports a finding that the relief provided to the class is  
 19 adequate.

20 Finally, Rule 23(e)(2)(C)(iv) asks the Court to consider the fairness of the proposed  
 21 Settlement in light of any agreement required to be identified under Rule 23(e)(3). Here, the Parties  
 22 have entered into one fully disclosed agreement that: "If Persons who would otherwise be Settlement  
 23 Class Members have timely requested exclusion from this Settlement in accordance with the Notice,  
 24 the Foundation shall have the option to terminate the Settlement in the event that Settlement Class  
 25 Members representing more than 5% of all XTZ tokens allocated in the Tezos genesis block (i.e.  
 26 38,000,000 of XTZ tokens) exclude themselves from the Class." See Stipulation ¶ 8.4. This  
 27 agreement is fully disclosed as part of the notice materials. See Notice at 18. The public disclosure of  
 28

1 this provision complies with the Court's Order in *In re OCZ Technology Group, Inc. Sec. Litig.*, No.  
 2 12-cv-05265-RS (N.D. Cal. Arp. 9, 2015) (ECF No. 96 at 2) (citing *In re Chiron Corp. Sec. Litig.*,  
 3 2007 WL 4249902, at \*9-11 (N.D. Cal. Nov. 30, 2007).

4 **C. The Proposed Settlement Class Also Meets The Prerequisites For Class Certification**  
 5 **Under Rule 23**

6 The Ninth Circuit has long recognized that class actions may be certified for the purpose of  
 7 settlement only. *Hanlon v. Chrysler Corp.*, 150 F.3d 1011 (9th Cir. 1998). Rule 23(a) sets forth the  
 8 following four prerequisites to class certification: (i) numerosity, (ii) commonality, (iii) typicality,  
 9 and (iv) adequacy of representation. In addition, the class must meet one of the three requirements of  
 10 Rule 23(b). *See* Fed. R. Civ. P. 23; *In re UTStarcom, Inc. Sec. Litig.*, No. C 04- 04908 JW, 2010 WL  
 11 1945737, at \*9 (N.D. Cal. May 12, 2010).

12 The proposed Settlement Class is defined in the Stipulation:

13 All persons and entities who, directly or through an intermediary, contributed bitcoin  
 14 and/or ether to what Plaintiffs describe as the Tezos blockchain "Initial Coin Offering"  
 15 and what Defendants describe as a fundraiser conducted between July 1, 2017 and July  
 16 13, 2017, inclusive. Excluded from the Settlement Class are: (i) Defendants; (ii)  
 17 members of the immediate family of Arthur Breitman, Kathleen Breitman, Johann  
 18 Gevers, or Timothy Draper; (iii) any person who was an officer or director of the  
 19 Foundation, DLS, Draper Associates, or Bitcoin Suisse during the Fundraiser and any  
 20 members of their immediate families; (iv) any parent, subsidiary, or affiliate of the  
 21 Foundation, DLS, Draper Associates, or Bitcoin Suisse; (v) any firm, trust, corporation,  
 or other entity in which any Defendant or any other excluded person or entity had a  
 controlling interest during the Fundraiser; and (vi) the legal representatives, agents,  
 affiliates, heirs, successors-in-interest, or assigns of any such excluded persons or  
 entities. Also excluded from the Settlement Class are those Persons who timely and  
 validly request exclusion.

22 *See* Stipulation ¶ 1.28.

23 Courts routinely endorse the use of the class action device to resolve claims brought under  
 24 the federal securities laws. *See, e.g., Hodges v. Akeena Solar Inc.*, 274 F.R.D. 259, 266 (N.D. Cal.  
 25 2011); *In re Cooper Cos. Inc. Sec. Litig.*, 254 F.R.D. 628, 642 (C.D. Cal. 2009). "[C]lass actions  
 26 commonly arise in securities fraud cases as the claims of separate investors are often too small to  
 27

1 justify individual lawsuits, making class actions the only efficient deterrent against securities fraud.  
 2 Accordingly, the Ninth Circuit and courts in this district hold a liberal view of class actions in  
 3 securities litigation.” *In re Adobe Sys., Inc. Sec. Litig.*, 139 F.R.D. 150, 152-53 (N.D. Cal. 1991)  
 4 (citations omitted); *see also In re Seagate Tech. II Sec. Litig.*, 843 F. Supp. 1341, 1350 (N.D. Cal.  
 5 1994) (same). This Action is no exception, and Federal Plaintiffs submit that the proposed Settlement  
 6 Class satisfies each of the requirements of Rules 23(a) and 23(b)(3).  
 7

### 8 **1. Numerosity**

9 Rule 23(a)(1) requires that the class be so numerous that joinder of all class members is  
 10 impracticable. The Ninth Circuit has stated that “‘impracticability’ does not mean ‘impossibility,’ but  
 11 only the difficulty or inconvenience of joining all members of the class.” *Harris v. Palm Springs*  
 12 *Alpine Estates, Inc.*, 329 F.2d 909, 913-14 (9th Cir. 1964) (citation omitted). Indeed, classes  
 13 consisting of 25 members have been held to be large enough to justify certification. *See Perez-Funez*  
 14 *v. Dist. Director, I.N.S.*, 611 F. Supp. 990, 995 (C.D. Cal. 1984); *see also Welling v. Alexy*, 155  
 15 F.R.D. 654, 656 (N.D. Cal. 1994) (no set number cut-off for numerosity). Additionally, the exact size  
 16 of the class need not be known so long as general knowledge and common sense indicate that the  
 17 class is large. *Welling*, 155 F.R.D. at 656; *see also Schwartz v. Harp*, 108 F.R.D. 279, 281-282 (C.D.  
 18 Cal. 1985) (“A failure to state the exact number in the proposed class does not defeat class  
 19 certification, and plaintiff’s allegations plainly suffice to meet the numerosity requirement of Rule  
 20 23.”) (citations omitted).  
 21  
 22

23 In this case, there were 30,317 investors (or wallets that were funded) in the Tezos ICO  
 24 during the two-week period in July 2017. ¶¶ 78, 131. A class of this size is sufficiently numerous to  
 25 make individual joinder impracticable. *See UTStarcom*, 2010 WL 1945737, at \*4; *Yamner v. Boich*,  
 26 No. C-92-20597 RPA, 1994 WL 514035, at \*3 (N.D. Cal. Sept. 15, 1994). Thus, the numerosity  
 27 element is satisfied.  
 28

## 2. Commonality

Rule 23(a)(2) is satisfied where the proposed class representatives share at least one question of fact or law with the claims of the prospective class. *Wehner v. Syntex Corp.*, 117 F.R.D. 641, 644 (N.D. Cal. 1987). Further, commonality exists even if there are varying fact situations among individual members of the class so long as the claims of the plaintiffs and other class members are based on the same legal or remedial theory. *Blackie v. Barrack*, 524 F.2d 891, 902 (9th Cir. 1975).

The common questions of fact and law include: (a) Whether the offer of the Tezos tokens through the Tezos ICO constituted the offer and sale of “securities”; (b) Whether Defendants were required to file a registration statement for the Tezos ICO; (c) Whether Defendants are sellers under Section 12(a)(1) of the Securities Act; (d) Whether the Breitmans are “controlling persons” under the Securities Act; and (e) Whether Plaintiffs and the Class are entitled to rescission, or damages, and the proper calculation and amount of those damages.

Each of these questions focuses on Defendants’ conduct and their Class-wide impact, making the core factual and legal issues subject to common proof. *Portal*, 2007 WL 1991529, at \*3 (commonality found where “[a]ll class members’ claims share[d] ... common questions of law and fact”); *Basile v. Valeant Pharm. Int’l., Inc.*, No. SACV 14-2004-DOC (KES), 2017 WL 3641591, at \*11 (C.D. Cal. Mar. 15, 2017). The commonality requirement is therefore satisfied.

## 3. Typicality

The typicality requirement of Rule 23(a)(3) is satisfied when the claims or defenses of the party or parties representing the class are typical of the claims or defenses of the other class members. *See Amchem Prods., Inc. v. Windsor*, 521 U.S. 591, 625 (1997) (common-issues test readily met in securities cases). However, differences in the amount of damage, the size or manner of purchase, the nature of the purchaser, and the date of purchase are insufficient to defeat class certification. *See Alfus v. Pyramid Tech. Corp.*, 764 F. Supp. 598, 606 (N.D. Cal. 1991). In other

1 words, typicality exists “even where factual distinctions exist between the claims of the named  
2 representative and the other class members.” *Danis v. USN Commc’ns, Inc.*, 189 F.R.D. 391, 395-97  
3 (N.D. Ill. 1999); *see also West*, 2006 WL 1652598, at \*5.

4 Here, the claims of Federal Plaintiffs arise from the same events or course of conduct that  
5 give rise to claims of other Settlement Class Members, and the claims asserted are based on the same  
6 legal theory. *See UTStarcom*, 2010 WL 1945737, at \*5 (explaining that the test for typicality is  
7 “whether ‘other members have the same or similar injury, whether the action is based on conduct  
8 which is not unique to the named plaintiffs, and whether other class members have been injured by  
9 the same course of conduct’”) (quoting *Hanon v. Dataproducts Corp.*, 976 F.2d 497, 508 (9th Cir.  
10 1992)). Indeed, this case satisfies the Rule 23(a)(3) typicality requirement because the claims of all  
11 Settlement Class Members derive from the same legal theories and allege the same set of operative  
12 facts. Federal Plaintiffs’ claims, like the claims of the rest of the Class, are all based on Defendants’  
13 sale of unregistered securities, and Plaintiffs’ purchases of Tezos tokens, in the July 2017 Tezos ICO.  
14 The legal and factual arguments that Plaintiffs advance regarding Defendants’ liability are the same  
15 as the arguments that other Class members would advance in support of their claims. Thus, the  
16 typicality requirement is satisfied.

17 Further, the proof that Federal Plaintiffs would present to establish their claims also would  
18 prove the claims of the rest of the Settlement Class. Additionally, Plaintiffs are not subject to any  
19 unique defenses that could make them atypical members of the prospective Settlement Class.  
20 Therefore, Lead Counsel respectfully submit that this Court should find that Plaintiffs’ claims are  
21 typical of the claims of the Settlement Class. *See Akeena Solar*, 274 F.R.D. at 266-67; *Cooper*, 254  
22 F.R.D. at 635-36.

#### 4. Adequacy

The representative parties must satisfy Rule 23(a)'s adequacy requirement by showing that they will fairly and adequately protect the interests of the Settlement Class. To satisfy this requirement, the proposed class representative must be free of interests that are antagonistic to the other members of the class, and counsel representing the class must be qualified, experienced and capable of conducting the litigation. *See Lerwill v. Inflight Motion Pictures, Inc.*, 582 F.2d 507, 512 (9th Cir. 1978); *Hanlon*, 150 F.3d at 1020. In the Ninth Circuit, resolution of "two questions" determines legal adequacy: "(1) do the named plaintiffs and their counsel have any conflicts of interest with other class members and (2) will the named plaintiffs and their counsel prosecute the action vigorously on behalf of the class?" *In re LendingClub Sec. Litig.*, 282 F. Supp. 3d 1171, 1182 (N.D. Cal. 2017) (quoting *Hanlon*, 150 F.3d at 1020). The adequacy requirement is satisfied here.

As described above, Plaintiffs have claims that are typical of and coextensive with those of the Settlement Class. Plaintiffs, like all Settlement Class Members, invested Ethereum and/or Bitcoin in the Tezos ICO and were promised delivery of a corresponding amount of Tezos tokens. The other members of the Class also contributed either Bitcoin or Ethereum, and were promised corresponding amounts of Tezos tokens. Plaintiffs and the proposed Class members were all sold unregistered securities in violation of the Securities Act. Thus, Plaintiffs' interest in establishing Defendants' liability and obtaining appropriate relief is aligned with the interests of absent Class members.

Plaintiffs have also demonstrated their willingness and ability to serve as Class Representatives. Among other responsibilities during the litigation so far, Plaintiffs have: (1) reviewed the Complaint, and approved their addition as named plaintiffs to this litigation; (2) participated in numerous discussions with Co-Lead Counsel; and (3) supervised and monitored the progress of court proceedings, including providing input as to strategy. In addition, two of the Federal Plaintiffs, Pumaro LLC and Artiom Frunze, attended full-day despositions that were taken

by Defendants. In order to have his deposition taken, Mr. Frunze was required to travel from overseas to San Francisco. In short, Plaintiffs have demonstrated that they are “‘familiar with the basis for the suit and their responsibilities,’” and Plaintiffs’ willingness and ability to perform these duties satisfies the “modest burden” of Rule 23(a)(4). *LendingClub*, 282 F. Supp. 3d at 1182 (citations omitted). Further, Plaintiffs have retained counsel highly experienced in securities class action litigation and who have successfully prosecuted many securities and other complex class actions throughout the United States.<sup>8</sup> Thus, Plaintiffs are adequate representatives of the Settlement Class, and their counsel are qualified, experienced and capable of prosecuting this Action, in satisfaction of Rule 23(a)(4).

#### 5. Common Questions of Law Predominate And A Class Action Is the Superior Method Of Adjudication

In addition to meeting the prerequisites of Rule 23(a), this case also satisfies Rule 23(b)(3), which requires that the proposed class representative establish that common questions of law or fact predominate over individual questions, and that a class action is superior to other available methods of adjudication. *See Erica P. John Fund, Inc. v. Halliburton Co.*, 563 U.S. 804, 809 (2011); *In re LDK Solar Sec. Litig.*, 255 F.R.D. 519, 525 (N.D. Cal. 2009); *Vathana v. EverBank*, No. C 09–02338 RS, 2010 WL 934219, at \*2 (N.D. Cal. Mar. 15, 2010) (noting that “subsection [23(b)(3)] encompasses ‘those cases in which a class action would achieve economies of time, effort, and expense, and promote uniformity of decision as to persons similarly situated, without sacrificing procedural fairness or bringing about other undesirable results’”) (quoting Fed. R. Civ. P. 23 1966 advisory committee’s note). Notably, Rule 23(a)(2)’s commonality requirement does not require that “every question in the case, or even a preponderance of questions, is capable of class wide

---

<sup>8</sup> See Exhibits A-E to the Declaration of Jacob A. Walker in Support of the Motion for Preliminary Approval.

1 resolution.” *Parsons v. Ryan*, 754 F.3d 657, 675 (9th Cir. 2014) (internal quotation marks and  
 2 citation omitted). “So long as there is even a single common question, a would- be class can satisfy  
 3 the commonality requirement of Rule 23(a)(2).” *Id.* (internal quotation marks and citation omitted).

4 Common questions of law and fact predominate and a class action is clearly the superior  
 5 method available to fairly and efficiently litigate this securities action.<sup>9</sup> “[C]ommon issues need only  
 6 predominate, not outnumber individual issues.” *In re Inter-Op Hip Prosthesis Liab. Litig.*, 204  
 7 F.R.D. 330, 345 (N.D. Ohio 2001). Further, the superiority of class actions in large securities cases is  
 8 well recognized. *See Amchem*, 521 U.S. at 625 (finding common questions predominated in  
 9 securities class action certified for settlement).  
 10  
 11  
 12

---

13  
 14 <sup>9</sup> When certifying a class for settlement purposes only, the standards for satisfying the class  
 15 certification element of “superiority” under Rule 23(b)(3) may be relaxed because the Court does not  
 16 need to consider the difficulties of managing the class in any future litigation or at trial. *See, e.g.,*  
 17 *Ybarrondo v. NCO Fin. Sys., Inc.*, No. 05cv2057-L(JMA), 2009 WL 3612864, at \*7 n.3 (S.D. Cal.  
 18 Oct. 28, 2009); *Murillo v. Pac. Gas & Elec. Co.*, 266 F.R.D. 468, 477 (E.D. Cal. 2010). Indeed,  
 19 courts have certified class actions for settlement purposes even where certification was or likely  
 20 would have been denied for litigation purposes. *See, e.g., In re Initial Pub. Offering Sec. Litig.*, 260  
 21 F.R.D. 81, 116 & n.308 (S.D.N.Y. 2009) (granting preliminary approval of a settlement class that  
 22 included § 11 claimants who had been excluded from the litigation class on grounds of  
 23 “predominance”) (citing *In re Initial Pub. Offering Sec. Litig.*, 226 F.R.D. 186, 194-95 (S.D.N.Y.  
 24 2005) (reasoning that the “predominance” and “manageability” concerns under Rule 23(b)(3) were  
 25 intertwined and “because the litigation was no longer going to trial, manageability was no longer an  
 26 issue, and the ‘predominance defect [ ] no longer fatal’”)); *Columbus Drywall & Insulation, Inc. v.*  
 27 *Masco Corp.*, 258 F.R.D. 545, 557-58 (N.D. Ga. 2007) (certifying a settlement class in antitrust case  
 28 despite noting serious questions about whether a litigation class could be certified; finding “that the  
 fact of settlement is relevant to the decision to certify a class” and that “Courts have, thus, certified  
 classes at the settlement stage noting that such a certification does not present the same problems that  
 certification of a litigation class proposing the same class definition would present”); *O’Keefe v.*  
*Mercedes-Benz USA, LLC*, 214 F.R.D. 266, 292-93 (E.D. Pa. 2003) (certifying a settlement class  
 bringing state law fraud claims; recognizing that a “manageability problem” was rendered moot by  
 the settlement, and thus was not a bar to class certification in the settlement context); *Ramirez v.*  
*DeCoster*, 203 F.R.D. 30, 36-37 (D. Me. 2001) (certifying a settlement class despite having  
 previously ruled that predominance requirement was not met; the settlement context mooted the  
 court’s concerns that calculation of individual damages would overwhelm common issues in the  
 litigation); *In re Diet Drugs*, Nos. 1203, 99-20593, 2000 WL 1222042, at \*43 (E.D. Pa. Aug. 28,  
 2000) (“[W]hen taking the settlement into consideration for purposes of determining class  
 certification, individual issues which are normally present in personal injury litigation become  
 irrelevant, allowing the common issues to predominate.”).

As discussed above, there are a number of common questions of law and fact that would warrant class certification of this matter. These questions clearly predominate over individual questions because Defendants' alleged conduct affected all Settlement Class Members in the same manner. Indeed, issues relating to Defendants' liability are common to all Members of the Settlement Class. *See LDK Solar*, 255 F.R.D. at 530; *UTStarcom*, 2010 WL 1945737, at \*9 (same); *In re Emulex Corp. Sec. Litig.*, 210 F.R.D. 717, 721 (C.D. Cal. 2002) ("The predominant questions of law or fact at issue in this case are the alleged misrepresentation Defendants made during the Class Period and are common to the class.").

Whether the Tezos tokens are securities, whether Defendants are "sellers" under Section 12(a)(1), whether the Breitmans are controlling persons under Section 15, and whether the Securities Act applies under *Morrison* are issues that "affect investors alike," and whose proof "can be made on a class-wide basis" because they "affect[] investors in common." *Schleicher v. Wendt*, 618 F.3d 679, 682, 685, 687 (7th Cir. 2010). Likewise, here, Defendant's alleged sale of unregistered securities "affect[ed] [all] investors alike" and proof that the Tezos tokens were securities will "be made on a class-wide basis." *Id.* at 685, 687; *Cooper*, 254 F.R.D. at 641. As a result, common questions of law and fact predominate.

In light of the foregoing, all of the requirements of Rule 23(a) and (b) are satisfied, and there are no issues that would prevent the Court from certifying this Settlement Class for settlement purposes, appointing Federal Plaintiffs as class representatives, and appointing Lead Counsel as counsel for the Settlement Class. *See, e.g., Wahl v. Am. Sec. Ins. Co.*, No. C08-00555-RS, 2011 U.S. Dist. LEXIS 59559, at \*5-6 (N.D. Cal. June 2, 2011) (class certified for settlement purposes); *Gittin v. KCI USA, Inc.*, No 09-CV-05843 RS, 2011 WL 1467360, at \*1 (N.D. Cal. Apr. 12, 2011) (same).

**D. The Court Should Approve The Form Of Notice And Plan For Providing Notice To The Settlement Class**

The Court should approve the form and content of the proposed Notice and Summary Notice. *See* Settlement Agreement, Exs. A-1 and A-3. The Notice is written in plain language and features a question-and-answer format that clearly sets out the relevant information and answers most questions Settlement Class Members will have. Consistent with Rules 23(c)(2)(B) and 23(e)(1), the Notice objectively and neutrally apprises the nature of the Action, the definition of the Settlement Class, the claims and issues, that the Court will exclude from the Settlement Class any Settlement Class Member who requests exclusion (and sets forth the procedures and deadlines for doing so), and the binding effect of a class judgment on Settlement Class Members under Rule 23(c)(3), among other disclosures.

With respect to items relating to the Settlement, the Notice also satisfies the separate disclosure requirements imposed by the PSLRA. It states the amount of the settlement proposed to be distributed to the parties; provides a statement from each party concerning the issues about which the parties disagree; states the amount of attorney's fees and Litigation Expenses that Lead Counsel will seek; provides the names, addresses, and telephone numbers of Lead Counsel, who will be available to answer questions from Settlement Class Members; and provides a brief statement explaining the reasons why the parties are proposing the Settlement. *See* 15 U.S.C. §78u-4(a)(7); *In re Tyco Int'l, Ltd. Multidistrict Litig.*, 535 F. Supp. 2d 249, 258 (D.N.H. 2007) (discussing adequacy of notice and PSLRA disclosure requirements).

Additionally, the Notice discloses the date, time, and location of the Settlement Hearing and the procedures and deadlines for the submission of Proof of Claim and Release Forms and objections to any aspect of the Settlement, Plan of Allocation, or attorney's fees and Litigation Expenses to be sought by Lead Counsel. These disclosures are complete and should be approved by the Court. *See*

1 *In re Ikon Office Solutions, Inc. Sec. Litig.*, 194 F.R.D. 166, 175 (E.D. Pa. 2000) (approving notice  
 2 that stated the settlement terms and plan of allocation, estimated potential recovery at trial, revealed  
 3 maximum request for attorney’s fees and identified contact information of relevant attorneys).

4 Rule 23(c)(2)(B) requires the court to direct to a class certified under Rule 23(b)(3) “the best  
 5 notice that is practicable under the circumstances, including individual notice to all members who  
 6 can be identified through reasonable effort.” Fed. R. Civ. P. 23(c)(2)(B). Similarly, Rule 23(e)(1)  
 7 requires the court to “direct notice in a reasonable manner to all class members who would be  
 8 bound” by a proposed settlement, voluntary dismissal, or compromise. Fed. R. Civ. P. 23(e)(1). The  
 9 proposed notice program, which is set forth in the Preliminary Approval Order submitted herewith,  
 10 readily meets these standards. Particularly, given the unique, online-only nature of this case, the  
 11 notice program uses electronic mail for distribution of the notice, and provides an electronic claim  
 12 form which can be completed online.  
 13  
 14

15 The proposed settlement administrator is Epiq Class Actions & Claims Solutions, Inc., an  
 16 experienced and diligent settlement and claims administrator (“Epiq” or the “Claims  
 17 Administrator”). Lead Counsel distributed a request for proposal (“RFP”) and received bid proposals  
 18 from six potential settlement administrators. Given the unique characteristics of the Settlement Class  
 19 Members, the RFP specifically requested that in addition to all normal and customary services,  
 20 proposals should provide information on the settlement administrator’s ability to:  
 21

- 22 • Conduct individual notice entirely electronically;
- 23 • Run targeted online ads, including on *Reddit* and *Twitter*;
- 24 • Allow for claims forms to be completed entirely online with electronic signature  
 25 ability;
- 26 • Provide an option for Claimants to receive electronic payment;
- 27 • Work with Settlement Class Members residing outside of the United States; and
- 28 • Conduct any necessary “Know Your Customer / Anti-Money Laundering”  
 verification.

1 The estimates for the bid proposals received ranged from \$132,556 to \$300,000. Lead  
2 Counsel ultimately selected Epiq based on a combination of their estimated costs and fees,  
3 willingness to set a firm cap on costs and fees, and experience with international claims and  
4 electronic notice methods. Epiq's ability to offer international phone numbers and to allow all claims  
5 to be completed electronically, including by providing for international bank wires is particularly  
6 useful here, as Settlement Class Members invested in the ICO online. Epiq's estimated costs and fees  
7 are \$7,231 and \$134,420, respectively. Epiq has agreed to a firm cap on costs and fees of \$170,000,  
8 or less than one percent of the \$25 million Settlement Amount. Lead Counsel believes the costs and  
9 fees are reasonable in relation to the value of the Settlement. The costs and fees will be paid out of  
10 the Net Settlement Fund.<sup>10</sup>

12 The Tezos Foundation will work in good faith to provide the Claims Administrator with  
13 information about the potential Settlement Class Members sufficient to allow claims to be verified  
14 and for the purpose of identifying and giving notice to the Settlement Class. The Claims  
15 Administrator will then promptly use reasonable efforts to send the Notice, including the Plan of  
16 Allocation and Proof of Claim and Release, to Persons who contributed to the Tezos blockchain  
17 ICO/fundraiser by electronic mail.

19 This Action is unique in that Settlement Class Members are spread throughout the world and  
20 contributed to the ICO electronically. Lead Counsel is unaware of previous securities settlements that  
21 are substantially similar to the Settlement here. Nonetheless, Epiq estimates that of the 30,317  
22 potential Settlement Class Members, approximately 7,579 will submit claim forms. Lead Counsel  
23 and Epiq have developed a plan to ensure that notice reaches the most potential Settlement Class  
24 members.

---

26 <sup>10</sup> Co-Lead Counsel Block & Leviton has not had any engagements with Epiq in the last two  
27 years. In 2017, Block & Leviton engaged Epiq as the claims administrator in *In re Amicus*  
28 *Therapeutics, Inc. Securities Litigation*, No. 3:15-cv-7350-PGS-DEA (D.N.J.); that engagement  
ended in the last year.

1 Members as possible. Notably, in addition to the electronic mail notice, Epiq will engage in a  
2 targeted marketing campaign on *Twitter*, *Reddit*, and *Google Display Network*. Epiq will also  
3 advertise the Settlement on *Baidu Display Network*, which will target potential Settlement Class  
4 Members in China.

5  
6 The proposed notice program detailed above fulfills the requirements of due process because  
7 the proposed Notice alerts and informs those Members of the Settlement Class who can be identified  
8 through reasonable efforts. *See, e.g., In re Online DVD-Rental Antitrust Litig.*, 779 F.3d 934, 946  
9 (9th Cir. 2015) (approving use of email notice); *In re Cabletron Sys., Inc. Sec. Litig.*, 239 F.R.D. 30,  
10 35-36 (D.N.H. 2006) (approving notice program that distributed notice packets to individual  
11 investors and nominees and published summary notice in national newspaper and wire services).

12  
13 The Summary Notice, to be sent via e-mail to all Settlement Class Members, provides an  
14 abbreviated but informative description of the Action and the proposed Settlement, and also explains  
15 how to obtain the more detailed Notice, with hyperlinks to the settlement website. Courts routinely  
16 find that comparable notice programs meet the requirements of due process and Rule 23. *See, e.g.,*  
17 *Portal*, 2007 WL 1991529, at \*7 (holding that “notice by mail and publication is the ‘best notice  
18 practicable under the circumstances,’ as mandated by FRCP 23(c)(2)(B)”); *In re Sorbates Direct*  
19 *Purchaser Antitrust Litig.*, Nos. C 98-4886MMC et al., 2002 WL 31655191, at \*1 (N.D. Cal. Nov.  
20 15, 2002); *see also West*, 2006 WL 1652598, at \*11 (settlement notice that explains to class  
21 members what their options are is more than adequate).

22  
23 In connection with preliminary approval of the Settlement, the Court must set a final approval  
24 hearing date, dates for mailing and publication of the Notice and Summary Notice, and deadlines for  
25 submitting claims or for objecting to the Settlement. The parties respectfully propose the following  
26 schedule for the Court’s consideration, as set forth in the proposed Preliminary Approval Order:  
27  
28

<u>Event</u>	<u>Time for Compliance</u>
Deadline for mailing the Notice and Proof of Claim to Class Members (“Notice Date”)	No later than 10 business days after entry of Preliminary Approval Order
Deadline for beginning advertising program and publishing summary notice over newswire	No later than 10 business days after Notice Date
Deadline for filing final approval papers	30 calendar days prior to the Final Approval Hearing
Deadline for receipt of exclusion requests or objections	21 calendar days prior to the Final Approval Hearing
Deadline for filing reply papers	7 calendar days prior to the Final Approval Hearing
Final Approval Hearing	As soon as practicable 84 days after signing the Preliminary Approval Order
Deadline for submitting Proof of Claim and Release Forms	120 calendar days after the Notice Date

#### IV. CONCLUSION

For the foregoing reasons, Federal Plaintiffs respectfully request that this Court grant preliminary approval of the Settlement, certify the Settlement Class for settlement purposes, approve the forms and methods of notice, and issue the proposed Preliminary Approval Order attached as Exhibit A to the Settlement Agreement and submitted herewith.

March 20, 2020

Respectfully submitted,

/s/ Jacob A. Walker

Jeffrey C. Block (pro hac vice)  
Jacob A. Walker (SBN 271217)

**Block & Leviton LLP**

260 Franklin Street, Suite 1860

Boston, Massachusetts 02110

(617) 398-5600 phone

jeff@blockesq.com

jake@blockesq.com

*Co-Lead Counsel and Counsel to  
Lead Plaintiff Trigon Trading Pty. Ltd.*

/s/ Hung G. Ta

Hung G. Ta, pro hac vice

JooYun Kim, pro hac vice

**Hung G. Ta., Esq. PLLC**

250 Park Avenue, 7th Floor

New York, NY 10177 (646) 453-7288

[hta@hgtlaw.com](mailto:hta@hgtlaw.com)

[jooyun@hgtlaw.com](mailto:jooyun@hgtlaw.com)

*Co-Lead Counsel and Counsel to  
Plaintiffs Pumaro LLC, Artiom Frunze,  
Hayden Hsiung, and Gijs Matser*

Danielle Smith (291237)

Reed R. Smith (139304)

**Hagens Berman Sobol Shapiro LLP**

715 Hearst Ave., Suite 202

Berkeley, CA 94710

Telephone: (510) 725-3000

Facsimile: (510) 725-3001

reed@hbsslaw.com

danielles@hbsslaw.com

Steve W. Berman

**Hagens Berman Sobol Shapiro LLP**

1301 Second Avenue, Suite 2000

Seattle, WA 98101

Telephone: (206) 623-7292

Facsimile: (206) 623-0594

steve@hbsslaw.com

*Additional Counsel to  
Lead Plaintiff Trigon Trading Pty. Ltd.*

Enoch H. Liang

**LTL Attorneys LLP**

601 Gateway Boulevard, Suite 1010

South San Francisco, CA 94080

(650) 422-2130  
enoch.liang@ltlatorneys.com

James M. Lee  
Caleb H. Liang  
**LTL Attorneys LLP**  
300 S. Grand Ave., 14th Floor  
Los Angeles, CA 90071  
(212) 612-8900 phone  
james.lee@ltlatorneys.com  
caleb.liang@ltlatorneys.com

*Additional Counsel to Plaintiffs  
Pumaro LLC, Artiom Frunze,  
Hayden Hsiung, and Gijs Matser*

**CERTIFICATE OF SERVICE**

I hereby certify that on March 20, 2020, I authorized the electronic filing of the foregoing with the Clerk of the Court using the CM/ECF system. I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

/s/ Jacob A. Walker  
Jacob A. Walker

## **STIPULATION OF SETTLEMENT**

This Stipulation of Settlement dated March 16, 2020 (the “Stipulation”), is made and entered into by and among: (i) Lead Plaintiff Trigon Trading Pty. Ltd. (“Trigon” or “Federal Lead Plaintiff”), and plaintiffs Pumaro LLC, Artiom Frunze, Hayden Hsiung, and Gijs Matser (collectively, the “Federal Plaintiffs”), on behalf of themselves and the other members of the Settlement Class (as defined herein), by and through their counsel of record in the Federal Litigation (as defined herein); (ii) plaintiff Andrew Baker (the “State Plaintiff”) (together with the Federal Plaintiffs, “Plaintiffs”) on behalf of himself and the other members of the Settlement Class, by and through his counsel of record in the State Litigation (as defined herein); and (iii) Defendants Dynamic Ledger Solutions, Inc. (“DLS” or the “Company”), Arthur Breitman and Kathleen Breitman (collectively the “DLS Defendants”) and Tezos Stiftung (the “Tezos Foundation”) (together with the DLS Defendants, “Defendants”), by and through their respective counsel of record in the Litigations (as defined herein). The Stipulation is intended to fully, finally, and forever resolve, discharge, and settle the Released Claims (as defined herein) as against all Released Defendants (as defined herein) in both the Federal Litigation and the State Litigation, subject to the approval of the Court and the terms and conditions set forth in this Stipulation.

### **I. FEDERAL LEAD PLAINTIFF’S CLAIMS**

The Federal Litigation is a consolidated putative securities class action brought in this Court against Defendants by Federal Lead Plaintiff individually and on behalf of all persons or entities who contributed digital currencies, including Bitcoin and/or Ethereum, to what Plaintiffs describe as the Tezos blockchain “Initial Coin Offering” and what Defendants describe as a fundraiser conducted in July 2017. The initial complaint in this action alleged claims under the Securities Act of 1933 (the “1933 Act”) and was filed against Defendants DLS, Arthur Breitman, Kathleen Breitman and the Tezos Foundation on November 26, 2017, in the United States District

Court for the Northern District of California. On March 16, 2018, the Court appointed Arman Anvari (“Anvari”) as lead plaintiff and LTL Attorneys LLP (“LTL”) and Hung G. Ta, Esq. PLLC (“HGT Law”) as lead counsel. ECF No. 96.

Anvari filed the Consolidated Complaint for Violation of the Federal Securities Laws on April 3, 2018. ECF No. 108. The complaint alleged violations of §§ 5 and 12(a)(1) of the 1933 Act against Defendants DLS, Arthur Breitman, Kathleen Breitman, the Tezos Foundation, Timothy Draper (“Draper”), Draper Associates V Crypto LLC (“Draper Associates”) (Draper and Draper Associates collectively, the “Draper Defendants”) and Bitcoin Suisse AG (“Bitcoin Suisse”), and § 15 of the 1933 Act against Defendants Arthur Breitman, Kathleen Breitman, and the Draper Defendants. Anvari asserted that Defendants offered and sold Tezos tokens without filing a registration statement with the United States Securities and Exchange Commission (“SEC”) in violation of the 1933 Act.

Following briefing on Defendants’ motions to dismiss and oral argument, on August 7, 2018, the Court denied the motion to dismiss as to the claims against the DLS Defendants and the Tezos Foundation, but granted the motion to dismiss filed by Bitcoin Suisse and the Draper Defendants. ECF No. 148. The Court granted Anvari leave to amend with respect to the Draper Defendants, but dismissed the claims against Bitcoin Suisse with prejudice. *Id.* Anvari elected not to amend the complaint, and the Draper Defendants were dismissed from the Federal Litigation with prejudice on August 31, 2018. ECF No. 163.

The parties thereafter engaged in document and deposition discovery.

On December 14, 2018, the parties engaged in an in-person mediation before Professor Eric D. Green. The mediation was preceded by submission of mediation statements and exhibits by each party. Settlement discussions were unsuccessful.

On January 9, 2019, named plaintiffs Artiom Frunze (“Frunze”) and Pumaro LLC (“Pumaro”) moved to certify a class, to appoint Frunze and Pumaro as the class representatives, and to appoint LTL and HGT Law as class counsel. ECF No. 187-3. Plaintiffs’ motion sought to certify the following class:

All persons and entities who, directly or indirectly, contributed Bitcoin or Ethereum to the Tezos Initial Coin Offering conducted in July 2017. Excluded from the Class are Defendants, and any person, firm, trust, corporation, or other entity related to or affiliated with any Defendant.

*Id.*

On January 25, 2019, Anvari moved to withdraw and substitute named plaintiff Frunze as lead plaintiff. ECF No. 196. Trigon filed a competing motion to appoint itself as lead plaintiff on January 30, 2019. ECF No. 198. On April 8, 2019, the Court granted Anvari’s motion to withdraw as lead plaintiff, granted Trigon’s motion to substitute as lead plaintiff, denied the pending class certification motion with leave to amend, and appointed Block & Leviton LLP and HGT Law as co-lead counsel. ECF No. 213.

Document and deposition discovery continued throughout 2019.

On November 22, 2019, the parties—including counsel for the Federal Plaintiffs, counsel for the State Plaintiff, and counsel for the Defendants—engaged in another in-person mediation conference before the Honorable Layn Phillips (Ret.) of Phillips ADR Enterprises, P.C. The parties submitted and exchanged both opening mediation statements and reply statements, along with supporting exhibits. The parties also conducted pre-mediation teleconferences with representatives of Phillips ADR Enterprises, P.C. The parties then engaged in arm’s-length negotiations during the mediation session. At the end of the conference, Judge Phillips facilitated a settlement between the parties that was documented in a binding term sheet. Thereafter, all

parties reached an agreement-in-principle to resolve the Litigations on the terms set forth herein, subject to approval by the Court.

Federal Lead Plaintiff and its counsel recognize and acknowledge the expense and time it would take to prosecute the Federal Litigation against Defendants through trial and through any subsequent appeals. Likewise, Federal Lead Plaintiff and its counsel have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as the Federal Litigation, as well as the difficulties and delays inherent in such litigation. Accordingly, Federal Lead Plaintiff and its counsel believe that the settlement set forth in the Stipulation confers substantial benefits upon Settlement Class Members and is in the best interests of Settlement Class Members under all the circumstances.

## II. THE STATE PLAINTIFF’S CLAIMS

On October 25, 2017, plaintiff Andrew Baker (“Baker”) filed the first class action complaint asserting securities laws violations in connection with what Plaintiffs describe as the Tezos blockchain “Initial Coin Offering” and what Defendants describe as a fundraiser, in the Superior Court of California, County of San Francisco (the “State Litigation” or the “Baker Action”). The State Litigation alleged that the DLS Defendants, the Tezos Foundation, Johann Gevers and Strange Brew Strategies had violated §§ 5(a), 5(c), 17(a)(1), 17(a)(2), and 17(a)(3) of the 1933 Act related to the sale of unregistered securities. Shortly thereafter, nearly identical class actions were filed in U.S. District Court for the Northern District of California.<sup>1</sup> On November

---

<sup>1</sup> See *GGCC, LLC v. Dynamic Ledger Sols., Inc.*, Case No. 3:17-cv-06779, United States District Court, Northern District of California (filed November 26, 2017) (“*GGCC*”); *Okusko v. Dynamic Ledger Sols., Inc.*, Case No. 3:17-cv-06829, United States District Court, Northern District of California (filed November 28, 2017) (“*Okusko*”); and *MacDonald v. Dynamic Ledger Sols., Inc.*, Case No. 3:17-cv-7095, United States District Court, Northern District of California (filed December 13, 2017) (“*MacDonald*”). All three of the federal lawsuits, including the *MacDonald*

29, 2017, Defendants removed the State Litigation to this Court. Baker moved to remand the case to California state court. On February 1, 2018, the Court stayed the Baker Action pending the Supreme Court's decision in *Cyan, Inc. v. Beaver County Employees Retirement Fund, et al.*, No. 15-1439 (*Baker v. Dynamic Ledger Solutions, Inc., et al.*, Case No. 17-cv-6850, Dkt. No. 18), which presented the question of whether state courts had concurrent jurisdiction over certain class actions filed under the 1933 Act.

On March 20, 2018, the Supreme Court issued its opinion in *Cyan Inc. v. Beaver County Employees Retirement Fund*, No. 15-1439, and the Court thereafter remanded the Baker Action on April 19, 2018.

On June 22, 2018, Baker filed his First Amended Complaint ("FAC") in the State Litigation, alleging that beginning in July 2017, the DLS Defendants, the Tezos Foundation, Johann Gevers, the Draper Defendants, Strange Brew Strategies, LLC, and Bitcoin Suisse AG (collectively, "State Court Defendants") engaged in an unregistered public sale of securities. The FAC alleged two causes of action: (1) violation of §§ 5 and 12(a)(1) of the Securities Act against all State Court Defendants; and (2) violation of § 15 of the Securities Act against the DLS Defendants, the Draper Defendants and Johann Gevers (the "Control Person Defendants").

On May 16, 2019, following document productions by DLS, Baker filed his Second Amended Complaint ("SAC") against the Tezos Foundation, Johann Gevers, the Draper Defendants and Bitcoin Suisse AG. Baker did not assert any claims in the SAC against Strange Brew Strategies, LLC. The SAC asserted the same two causes of action as the FAC, but added additional factual allegations based on document discovery obtained from DLS. On June 10, 2019,

---

Action, were related to each other, were assigned to the Honorable Richard Seeborg, and were eventually consolidated as the Federal Litigation.

the DLS and Draper Defendants filed demurrers to Plaintiff's SAC. On July 24, 2019, the Tezos Foundation and Johann Gevers filed motions to quash service of summons.

During 2019, the DLS Defendants continued to provide additional documentary discovery to the State Plaintiff.

On August 27, 2019, the State Court denied the DLS Defendants' demurrer, sustaining Baker's §12(a)(2) and related §15 "control person" liability claims as to the DLS Defendants. On August 28, 2019, the State Court granted the Tezos Foundation's motion to quash service of summons and the Draper Defendants' demurrer. With respect to the Draper Defendants' demurrer, Baker was granted leave to amend, and on September 17, 2019, he filed his Third Amended Complaint ("TAC") as to the Draper Defendants. Baker filed a Motion for Reconsideration of the Order granting the Tezos Foundation's motion to quash on September 9, 2019. On September 24, 2019, the State Court also granted Gevers' motion to quash service of summons. On October 9, 2019 the Draper Defendants demurred to the TAC.

As noted above, on November 22, 2019, the State Plaintiff participated in the mediation conference before Judge Phillips. This mediation led to the parties' agreement-in-principle to resolve both Litigations, subject to approval by the Court.

State Plaintiff Baker and his counsel recognize and acknowledge the expense and time it would take to prosecute the State Litigation against Defendants through trial and through any subsequent appeals. Likewise, the State Plaintiff and his counsel have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as the State Litigation, as well as the difficulties and delays inherent in such litigation. Accordingly, the State Plaintiff and his counsel believe that the settlement set forth in this Stipulation confers substantial

benefits upon Settlement Class Members and is in the best interests of Settlement Class Members under all the circumstances.

### **III. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

Defendants have denied, and continue to deny, that they have committed any act or omission giving rise to any liability or violation of the law. Specifically, Defendants have denied, and continue to deny, each and every one of the claims and contentions alleged by the plaintiffs in the Litigations. Defendants have expressly denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Litigations. Defendants further have denied, and continue to deny, that Federal Plaintiffs and State Plaintiff suffered any damages or were harmed by the conduct alleged in the Litigation. Defendants have asserted, and continue to assert, that their conduct was at all times proper and in compliance with all applicable provisions of law. Nonetheless, Defendants have concluded that further defense of the Litigations in two separate forums could be protracted and expensive. Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases such as the Litigations. Defendants have, therefore, determined that it is desirable and beneficial to them that the Litigations be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation.

As set forth below, neither the settlement nor any of the terms of this Stipulation shall constitute an admission or finding of any fault, liability, wrongdoing, or damage whatsoever, or any infirmity in the defenses that Defendants have, or could have, asserted in the Litigation.

### **IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT**

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among Federal Plaintiffs (for themselves and the Settlement Class Members), the State Plaintiff (for himself and the Settlement Class Members), and Defendants, by and through their respective

counsel or attorneys of record, that, subject to the approval of the Court, the Litigations and the Released Claims shall be finally and fully compromised, settled, and released, and the Litigations shall be dismissed with prejudice, as to all Settling Parties and their Related Parties (as defined below) and the other defendants in the Litigations, upon and subject to the terms and conditions of the Stipulation, as follows.

**1. Definitions**

As used in the Stipulation the following terms have the meanings specified below:

1.1 “Authorized Claimant” means any Settlement Class Member whose claim for recovery has been allowed pursuant to the terms of the Stipulation.

1.2 “Claims Administrator” means the firm of Epiq Class Action & Claims Solutions, Inc.

1.3 “Court” means the United States District Court for the Northern District of California.

1.4 “Defendants” means the Tezos Foundation, Dynamic Ledger Solutions, Inc. (“DLS”), Arthur Breitman and Kathleen Breitman.

1.5 “Effective Date,” or the date upon which this settlement becomes “effective,” means the date by which all of the events and conditions specified in ¶8.1 of the Stipulation have been met and have occurred.

1.6 “Escrow Account” means the segregated and separate escrow account designated and controlled by the Escrow Agent at one or more national banking institutions into which the Settlement Amount will be deposited for the benefit of Settlement Class Members.

1.7 “Escrow Agent” means The Huntington National Bank or its successor(s).

1.8 “Federal Lead Counsel” means Block & Leviton LLP, 260 Franklin Street, Suite 1860, Boston, Massachusetts 02110, and Hung G. Ta, Esq. PLLC, 250 Park Avenue, 7th Floor, New York, New York 10177.

1.9 “Federal Plaintiffs” means lead plaintiff Trigon Trading Pty. Ltd. and plaintiffs Pumaro LLC, Artiom Frunze, Hayden Hsiung, and Gijs Matser.

1.10 “Federal Litigation” means the action captioned *In re Tezos Securities Litigation*, Case No. 3:17-cv-06779-RS.

1.11 “Final” means, with respect to any order or judgment of court, including, without limitation, the Court’s Judgment and the State Court’s order of dismissal, that such order or judgment represents a final and binding determination of all issues within its scope and is not subject to further review on appeal or otherwise. Without limitation, an order becomes “Final” when the last of the following has occurred: (a) the expiration of the time to file a motion to reconsider, alter or amend the judgment or order without any such motion having been filed; (b) the time in which to appeal the judgment or order has passed without any appeal having been taken; and (c) if a motion to reconsider, alter or amend is filed or if an appeal is taken, immediately after the determination of that motion or appeal so that it is no longer subject to any further judicial review or appeal whatsoever, whether by reason of affirmance by a court of last resort, lapse of time, voluntary dismissal of the appeal or otherwise in such a manner as to permit the consummation of the settlement substantially in accordance with the terms and conditions of this Stipulation. For purposes of this paragraph, an “appeal” shall include any petition for a writ of certiorari or other writ that may be filed in connection with approval or disapproval of this settlement, but shall not include any appeal which concerns only the issue of attorneys’ fees and

expenses, the Plan of Allocation of the Net Settlement Fund, as hereinafter defined, or the procedures for determining Authorized Claimants' recognized claims.

1.12 "Foundation" or "Tezos Foundation" means Tezos Stiftung, a Swiss foundation.

1.13 "Judgment" means the Judgment to be rendered by the Court, substantially in the form attached hereto as Exhibit B, and the dismissal with prejudice of the State Litigation.

1.14 "Litigations" means, collectively, the Federal Litigation (defined above) and the State Litigation (defined below).

1.15 "Net Settlement Fund" means the Settlement Fund less any attorneys' fees and expenses provided for herein or approved by the Court and less Notice and Administration Expenses, Taxes and Tax Expenses, and other Court-approved deductions.

1.16 "Notice" means the Notice of Pendency and Proposed Settlement of Class Action, which, subject to approval of the Court, shall be substantially in the form attached hereto as Exhibit A-1.

1.17 "Notice and Administration Expenses" means reasonable costs and expenses incurred in connection with providing notice to Settlement Class Members, locating Settlement Class Members, soliciting claims, assisting with the submission of claims, processing Proof of Claim and Release forms, administering and distributing the Net Settlement Fund to Authorized Claimants, and paying escrow fees and costs, if any.

1.18 "Person" means an individual, corporation, limited liability corporation, professional corporation, partnership, limited partnership, limited liability partnership, association, joint stock company, joint venture, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity, and including any of their heirs, successors, representatives, or assigns.

1.19 “Plan of Allocation” means a plan or formula of allocation of the Net Settlement Fund whereby the Net Settlement Fund shall be distributed to Authorized Claimants. Any Plan of Allocation is not part of the Stipulation, and neither Defendants nor their Related Parties shall have any responsibility or liability with respect thereto and any order or proceeding relating to the Plan of Allocation shall not operate to terminate or cancel this Stipulation or affect the finality of the Judgment. If the Plan of Allocation provides for different payment to Class Members who have not claimed or accessed their tokens, the parties agree to work together to submit an appropriate modification to the proposed Judgment to provide that any such Class Members who submit claims and are deemed Authorized Claimants shall be barred from later claiming their tokens and, if they nonetheless do so, shall be subject to the jurisdiction of the courts of California (for U.S. residents) or to the courts of Switzerland (for non-U.S. residents) to resolve any dispute relating thereto.

1.20 “Preliminary Approval Order” means the Order Preliminarily Approving Settlement and Providing for Notice as approved by the Court, substantially in the form attached hereto as Exhibit A.

1.21 “Proof of Claim and Release” means a Proof of Claim and Release, which, subject to approval of the Court, shall be substantially in the form attached hereto as Exhibit A-2.

1.22 “Related Parties” means, as applicable, each and all of a person or entity’s respective present and former parents, subsidiaries, divisions, joint ventures, affiliates, and each and all of their respective present and former employees, contractors, members, partners, principals, agents, founders, officers, directors, controlling shareholders, attorneys, advisors, accountants, auditors, financial or investment advisors or consultants, banks or investment bankers, personal or legal representatives, insurers, co-insurers, reinsurers, related or affiliated entities, predecessors, successors, spouses, estates, heirs, executors, trusts, trustees, administrators,

agents, representatives, and assigns, in their capacity as such, and any entity in which a person or entity has a controlling interest.

1.23 “Released Claims” means any and all claims, demands, rights, causes of action, and liabilities of every nature and description (including Unknown Claims as defined herein), whether known or unknown, contingent or absolute, liquidated or not liquidated, accrued or unaccrued, suspected or unsuspected, disclosed or undisclosed, apparent or not apparent, foreseen or unforeseen, matured or not matured, which now exist, heretofore or previously existed, or may hereafter exist, including, but not limited to, any claims arising under federal, state, common, or foreign law, that Plaintiffs or any other member of the Settlement Class asserted in the Consolidated Complaint for Violations of the Federal Securities Laws filed in the Federal Action on April 3, 2018, as amended, or the Second Amended Complaint filed in the State Action, on May 16, 2019, or could have asserted in either the Federal Action or the State Action or could in the future assert in any forum that concern, arise out of, refer to, are based upon, or are related in any manner to the allegations, transactions, facts, matters, occurrences, representations, statements, or omissions alleged, involved, set forth, or referred to in any of the Litigations. Notwithstanding the foregoing, “Released Claims” does not include claims relating to the enforcement of the settlement, nor does this release cover, include, or release any claims by any governmental entity that arise out of any governmental investigation of Defendants relating to the conduct alleged in the Action.

1.24 “Released Defendants” means each and all of the Defendants and each of their Related Parties, as well as Johann Gevers, Timothy Draper, Draper Associates, and Bitcoin Suisse.

1.25 “Releasing Defendants’ Claims” means all claims and causes of action of every nature and description, whether known or unknown, whether arising under federal, state, common

or foreign law, that arise out of or relate in any way to the institution, prosecution or settlement of the Litigations or the Released Claims against the Defendants. Notwithstanding the foregoing, “Releasing Defendants’ Claims” does not include claims relating to the enforcement of the settlement.

1.26 “Releasing Plaintiffs and Settlement Class Members” means Federal Plaintiffs, State Plaintiff, each Settlement Class Member, and to the fullest extent permissible under law, each of their Related Parties.

1.27 “Settlement Amount” means Twenty-Five Million Dollars (USD 25,000,000.00) in cash to be paid by the Tezos Foundation to the Escrow Agent by wire transfer, check, or as otherwise agreed pursuant to ¶2.1 of this Stipulation. This Settlement Amount shall be paid by the Tezos Foundation within twenty-one (21) days after the execution of this Stipulation by all parties hereto.

1.28 “Settlement Class” means all persons and entities who, directly or through an intermediary, contributed bitcoin and/or ether to what Plaintiffs describe as the Tezos blockchain “Initial Coin Offering” and what Defendants describe as a fundraiser conducted between July 1, 2017 and July 13, 2017, inclusive. Excluded from the Settlement Class are: (i) Defendants; (ii) members of the immediate family of Arthur Breitman, Kathleen Breitman, Johann Gevers, or Timothy Draper; (iii) any person who was an officer or director of the Foundation, DLS, Draper Associates, or Bitcoin Suisse during the Fundraiser and any members of their immediate families; (iv) any parent, subsidiary, or affiliate of the Foundation, DLS, Draper Associates, or Bitcoin Suisse; (v) any firm, trust, corporation, or other entity in which any Defendant or any other excluded person or entity had a controlling interest during the Fundraiser; and (vi) the legal representatives, agents, affiliates, heirs, successors-in-interest, or assigns of any such excluded

persons or entities. Also excluded from the Settlement Class are those Persons who timely and validly request exclusion.

1.29 “Settlement Class Member” means a Person who falls within the definition of the Settlement Class as set forth above.

1.30 “Settlement Fund” means the Settlement Amount plus all interest and accretions thereto and which may be reduced by payments or deductions as provided herein or by Court order.

1.31 “Settlement Hearing” means the hearing to be held by the Court to determine whether the proposed settlement is fair, reasonable, and adequate and should be approved.

1.32 “Settling Parties” means, collectively, Plaintiffs, all other Settlement Class Members, and Defendants.

1.33 “State Court” means the Superior Court of the State of California, County of San Francisco.

1.34 “State Lead Counsel” means Taylor-Copeland Law, LLP, 501 West Broadway, Suite 800, San Diego, CA 92101, and Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101.

1.35 “State Plaintiff” means plaintiff Andrew Baker.

1.36 “State Litigation” means the coordinated action captioned *Tezos ICO Cases*, Case No. CJC-18-004978, pending in State Court.

1.37 “Summary Notice” means the Summary Notice for publication, which, subject to approval of the Court, shall be substantially in the form attached hereto as Exhibit A-3.

1.38 “Tax” or “Taxes” mean any and all taxes, fees, levies, duties, tariffs, imposts, and other charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto) imposed by any governmental authority.

1.39 “Unknown Claims” means (i) any Released Claims that Releasing Plaintiffs and Settlement Class Members do not know or suspect to exist in his, her or its favor at the time of the release, which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Defendants, or might have affected his, her or its decision not to object to this settlement or seek exclusion from this settlement, and (ii) any Releasing Defendants’ Claims that Defendants do not know or suspect to exist in his, her or its favor at the time of the release, which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Plaintiffs and Settlement Class Members. With respect to any and all Released Claims and Releasing Defendants’ Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Federal Lead Plaintiff and State Plaintiff shall expressly waive and each of the Settlement Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived the provisions, rights, and benefits of California Civil Code §1542 and any law of the United States, or any state or territory thereof, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Releasing Plaintiffs and Settlement Class Members may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but Federal Lead Plaintiff and State Plaintiff shall fully, finally, and forever settle and release and each Settlement Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, disclosed or undisclosed, matured or unmatured, whether or not

concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Federal Lead Plaintiff and State Plaintiff acknowledge, and the Settlement Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the settlement of which this release is a part.

## **2. The Settlement**

### **(a) The Settlement Amount**

2.1 Within twenty-one (21) days of the execution of this Stipulation, the Tezos Foundation will pay or cause to be paid the Settlement Amount on behalf of Defendants in accordance with the instructions to be provided by the Escrow Agent. No individual or entity other than the Tezos Foundation shall be responsible for paying or causing to be paid the Settlement Amount. The Settlement Amount may be paid by wire transfer, by delivering to the Escrow Agent a check or checks payable to the Settlement Fund, by any combination of those methods, or in any other manner agreed upon by Federal Lead Plaintiff and State Plaintiff and the Foundation. Within one (1) business day of execution of this Stipulation, the Escrow Agent will furnish to the Tezos Foundation adequate payment instructions consisting of wire transfer instructions, instructions for payment by check, and a completed IRS Form W-9 for the Settlement Fund, including an address and tax ID number.

2.2 If the entire Settlement Amount is not timely paid to the Escrow Agent, Federal Lead Plaintiff and State Plaintiff may terminate the settlement but only if (a) Federal and State Lead Counsel have notified Defendants' counsel in writing of Federal and State Lead Counsel's

intention to terminate the settlement, and (b) the entire Settlement Amount is not transferred to the Escrow Agent within ten (10) calendar days after Federal and State Lead Counsel have provided such written notice. Failure by the Escrow Agent or Federal and State Lead Counsel to timely furnish adequate payment instructions to the Tezos Foundation pursuant to ¶2.1 shall not be a basis for termination under this section and any delay in providing such instructions shall extend the period in which the Settlement Amount will be paid under ¶2.1 by an equivalent number of days.

2.3 The Escrow Agent shall deposit the Settlement Amount plus any accrued interest in a segregated Escrow Account maintained by the Escrow Agent.

2.4 Other than the obligation of the Tezos Foundation to cause the payment of the Settlement Amount pursuant to ¶2.1, the Released Defendants shall have no obligation to make any other payments into the Escrow Account or to any Releasing Plaintiffs and Settlement Class Members or to Federal or State Lead Counsel pursuant to this Stipulation.

(b) The Escrow Agent

2.5 The Escrow Agent shall invest the Settlement Amount deposited pursuant to ¶2.1 hereof in United States Agency or Treasury Securities or other instruments backed by the Full Faith & Credit of the United States Government or an Agency thereof, or fully insured by the United States Government or an Agency thereof and shall reinvest the proceeds of these instruments as they mature in similar instruments at their then-current market rates. All risks related to the investment of the Settlement Fund in accordance with the investment guidelines set forth in this paragraph shall be borne by the Settlement Fund and the Released Defendants shall have no responsibility for, interest in, or liability whatsoever with respect to investment decisions or the actions of the Escrow Agent, or any transactions executed by the Escrow Agent.

2.6 The Escrow Agent shall not disburse the Settlement Fund except as provided in the Stipulation, by an order of the Court, or with the written agreement of counsel for all Defendants, and the Escrow Agent shall copy one of the two State Lead Counsel firms on all such instructions to disburse any portion of the Settlement Fund.

2.7 Subject to further order(s) and/or directions as may be made by the Court, or as provided in the Stipulation, the Escrow Agent is authorized to execute such transactions as are consistent with the terms of this Stipulation and shall copy one of the two State Lead Counsel firms on all such transactions. The Released Defendants shall have no responsibility for, interest in, or liability whatsoever with respect to the actions of the Escrow Agent, or any transaction executed by the Escrow Agent in its capacity as such.

2.8 All funds held by the Escrow Agent shall be deemed and considered to be in custodia legis of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

2.9 Upon the occurrence of the Effective Date, no Defendant, or any other person or entity who or which paid any portion of the Settlement Amount, shall have any right to the return of the Settlement Fund or any portion thereof for any reason whatsoever (including, without limitation, the number of Proof of Claim and Release forms submitted, the collective amount of recognized claims of Authorized Claimants, the percentage of recovery of losses, or the amounts to be paid to Authorized Claimants from the Net Settlement Fund), except as set forth in ¶8.8 below.

2.10 Prior to the Effective Date and without further order of the Court, up to \$250,000 of the Settlement Fund may be used by Federal and State Lead Counsel to pay reasonable Notice and Administration Expenses actually incurred. After the Effective Date, Federal and State Lead

Counsel may pay all further actual and reasonable Notice and Administration Expenses from the Settlement Fund, without further order of the Court.

2.11 Dissemination of the Notice and Summary Notice to Settlement Class Members in accordance with this Stipulation and as ordered by the Court shall be solely Federal Lead Counsel and State Lead Counsel's responsibility, except that the Tezos Foundation shall provide to the Claims Administrator in electronic format (at no cost to the Settlement Fund, Lead Counsel, or the Claims Administrator) email addresses in the Foundation's possession collected from the Foundation mailing list (tezos-list@tezos.com) through July 13, 2017 and from the "Know Your Customer" process, in order to assist the Notice Administrator in attempting to provide notice to class members and potential class members. Settlement Class Members shall have no recourse as to the Released Defendants with respect to any claims they may have that arise from any failure of the notice process. However, the Tezos Foundation agrees to work in good faith to provide the Claims Administrator with information sufficient to allow claims to be verified. Released Defendants shall be responsible for working with the Notice Administrator to ensure that any notice required under the Class Action Fairness Act (CAFA) is provided in a timely fashion. Any and all costs incurred by the Notice Administrator in providing CAFA notice shall be reimbursed from the Settlement Amount.

(c) Taxes

2.12 (a) The Settling Parties and the Escrow Agent agree to treat the Settlement Fund as being at all times a "qualified settlement fund" within the meaning of Treas. Reg. §1.468B-1. In addition, the Escrow Agent shall timely make such elections as necessary or advisable to carry out the provisions of this ¶2.12, including the "relation-back election" (as defined in Treas. Reg. §1.468B-1) back to the earliest permitted date. Such elections shall be made in compliance

with the procedures and requirements contained in such regulations. It shall be the responsibility of the Escrow Agent to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur.

(b) For the purpose of §1.468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the “administrator” shall be the Escrow Agent. The Escrow Agent shall timely and properly file all informational and other tax returns necessary or advisable with respect to the Settlement Fund (including, without limitation, the returns described in Treas. Reg. §1.468B-2(k)). Such returns (as well as the election described in ¶2.12(a) hereof) shall be consistent with this ¶2.12 and in all events shall reflect that all Taxes (including any estimated Taxes, interest or penalties) on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided in ¶2.12(c) hereof.

(c) All (i) Taxes (including any estimated Taxes, interest or penalties) arising with respect to the income earned by the Settlement Fund, including any Taxes or tax detriments that may be imposed upon the Released Defendants or their counsel with respect to any income earned by the Settlement Fund for any period during which the Settlement Fund does not qualify as a “qualified settlement fund” for federal or state income tax purposes, and (ii) expenses and costs incurred in connection with the operation and implementation of this ¶2.12 (including, without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses relating to filing (or failing to file) the returns described in this ¶2.12) (“Tax Expenses”), shall be paid out of the Settlement Fund; in all events the Released Defendants and their counsel shall have no liability or responsibility for the Taxes or the Tax Expenses. The Escrow Agent, through the Settlement Fund, shall indemnify and hold each of the Released Defendants and their counsel harmless for Taxes and Tax Expenses (including, without limitation, Taxes payable by

reason of any such indemnification). Further, Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Settlement Fund and shall be timely paid by the Escrow Agent out of the Settlement Fund without prior order from the Court and the Escrow Agent shall be authorized (notwithstanding anything herein to the contrary) to withhold from distribution to Authorized Claimants any funds necessary to pay such amounts, including the establishment of adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may be required to be withheld under Treas. Reg. §1.468B-2(l)(2)); neither the Released Defendants nor their counsel are responsible nor shall they have any liability for any Taxes or Tax Expenses. The parties hereto agree to cooperate with the Escrow Agent, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this ¶2.12.

(d) Termination of Settlement

2.13 In the event that the Stipulation is not approved or the Stipulation is terminated, canceled, or fails to become effective for any reason, the Settlement Fund (including accrued interest), less Notice and Administration Expenses or Taxes or Tax Expenses paid, incurred, or due and owing in connection with the settlement provided for herein, shall be refunded pursuant to written instructions from counsel for the Tezos Foundation in accordance with ¶8.5 herein.

**3. Preliminary Approval Order and Settlement Hearing**

3.1 Promptly (and no later than ten (10) business days) after execution of the Stipulation, Federal Lead Plaintiff shall submit the Stipulation together with its Exhibits to the Court and shall apply for entry of the Preliminary Approval Order, substantially in the form of Exhibit A attached hereto, requesting, inter alia, the preliminary approval of the settlement set forth in the Stipulation; certification of the class for purposes of settlement as specified in ¶ 1.28; setting of dates for the mailing of the Notice, claims deadline, opt out date, objection date, and

Settlement Hearing; approval of the Claims Administrator; approval of the Notice; approval of the form and content of the Proof of Claim and Release; and approval of the publication of the Summary Notice, substantially in the forms of Exhibits A-1, A-2, and A-3 attached hereto. The Notice shall include the general terms of the settlement set forth in the Stipulation, the proposed Plan of Allocation and the general terms of the Fee and Expense Application, as defined in ¶7.1 hereof, and the date of the Settlement Hearing.

3.2 Any Settlement Class Member who wishes to opt out of the Settlement Class must submit a timely written request for exclusion on or before the opt out date, in the manner specified in the Court's Preliminary Approval Order and Notice. Group opt-outs, including "mass" or "class" opt outs, are prohibited. Any Settlement Class Member who does not submit a timely written request for exclusion will be bound by all proceedings, orders and judgments in the Litigations, whether or not he, she, or it timely submits a Proof of Claim and Release.

3.3 Any Settlement Class Member who wishes to object to the fairness, reasonableness or adequacy of this settlement or the award of attorneys' fees and expenses, must do so timely and in the manner specified in the Court's Preliminary Approval Order and Notice.

3.4 If the Court grants preliminary approval, the Settling Parties will jointly move the Court to stay all proceedings and deadlines other than necessary to effectuate the settlement. If the Court denies preliminary approval of the settlement as set forth herein, the Settling Parties will jointly move the Court to extend the current deadlines.

3.5 Federal Lead Plaintiff shall request that after notice to Class Members is given, the Court hold the Settlement Hearing and approve the settlement of the Litigations as set forth herein. At or after the Settlement Hearing, Federal Lead Counsel and State Lead Counsel also will request that the Court approve the proposed Plan of Allocation and the Fee and Expense Application.

**4. Dismissal of State Litigation**

4.1 Within one (1) business day of the Federal Lead Plaintiff's filing of a motion seeking a Preliminary Approval Order, as set forth in ¶3.1, State Plaintiff and State Lead Counsel will file a notice of settlement with the State Court, attaching the Federal Lead Plaintiff's filing, and notifying the State Court that State Plaintiff will file a motion seeking dismissal of the State Litigation with prejudice after the Court enters the Preliminary Approval Order as contemplated by this Stipulation.

4.2 Within three (3) business days of entry of the Preliminary Approval Order, the State Plaintiff and State Lead Counsel will file a motion in the State Court to (a) stay further proceedings in the State Court except as may be necessary or appropriate to facilitate consummation of this settlement pending dismissal, and (b) enter an order dismissing the State Litigation with prejudice contingent upon Final approval of the settlement by the Court. The Motion will request that dismissal not occur until entry of Judgment in the Federal Litigation, and that the dismissal order become Final upon the Judgment becoming Final. All parties agree to cooperate regarding any additional steps as may be necessary or appropriate to modify the proposed forms of Notice to include any additional notice information that may be requested or required by the State Court under California Rule of Court 3.770(c). Federal Plaintiffs, Federal Lead Counsel, and the Tezos Foundation do not, however, submit to the jurisdiction of the State Court. Any additional incremental costs of notice that may be required by the State Court shall be deemed costs of notice in this action, and shall be payable from the Settlement Fund.

4.3 State Plaintiff and State Lead Counsel will notify the State Court within two (2) business days of entry of Judgment.

4.4 State Plaintiff and State Lead Counsel will notify the State Court within two (2) business days of Judgment becoming Final.

## **5. Mutual Releases**

5.1 The Proof of Claim and Release to be executed by Releasing Plaintiffs and Settlement Class Members shall release all Released Claims against the Released Defendants and shall be substantially in the form contained in Exhibit A-2 attached hereto.

5.2 Upon the Effective Date, all Releasing Plaintiffs and Settlement Class Members and anyone claiming through or on behalf of any of them, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, unconditionally and forever released, relinquished, and discharged all Released Claims (including Unknown Claims) against the Released Defendants, their Related Parties, and their respective counsel, whether arising under federal, state, common, or foreign law, whether or not such Releasing Plaintiff or Settlement Class Member executes and delivers a Proof of Claim and Release or shares in the Settlement Fund. Upon the Effective Date, the Releasing Plaintiffs and Settlement Class Members will be forever barred and enjoined from commencing, instituting, prosecuting or continuing to prosecute any action or other proceeding in any court of law or equity, arbitration tribunal, or administrative forum, asserting the Released Claims against any of the Released Defendants, their Related Parties, and their respective counsel. Releasing Plaintiffs are aware of the California Civil Code §1542 and expressly waive and relinquish any rights or benefits available to them under this statute and any rights or benefits conferred by any law of the United States, or any state or territory thereof, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542.

5.3 Upon the Effective Date, each of the Defendants shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Releasing Defendants' Claims (including Unknown Claims) against Released Plaintiffs and Settlement Class Members, and Federal and State Lead Counsel, whether arising under federal, state, common or foreign law. Upon the Effective Date, the Defendants will be forever barred and enjoined from commencing, instituting, prosecuting or continuing to prosecute any action or other proceeding in any court of law or equity, arbitration tribunal, or administrative forum, asserting the Releasing Defendants' Claims against any of the Released Plaintiffs and Class Members, and Federal and State Lead Counsel. Defendants are aware of the California Civil Code §1542 and expressly waive and relinquish any rights or benefits available to them under this statute.

5.4 In exchange for the mutual releases and other consideration set forth herein, including full payment of the Settlement Amount, Federal Plaintiffs and State Plaintiff will dismiss with prejudice all Defendants from the Litigations as set forth herein.

5.5 The Settling Parties agree that the Court shall retain exclusive and continuing jurisdiction over the Settling Parties and the Settlement Class Members to interpret and enforce the terms, conditions, and obligations under this Stipulation.

5.6 Nothing herein shall release or alter the rights, if any, under the terms of any bylaws or other written agreements: (i) between the DLS Defendants, on the one hand, and the Tezos Foundation, on the other hand, (ii) between the Draper Defendants, on the one hand, and the Tezos Foundation, on the other hand, or (iii) between or among any Related Parties.

**6. Administration and Calculation of Claims, Final Awards and Supervision and Distribution of the Settlement Fund**

6.1 The Claims Administrator, subject to such supervision and direction of the Court as may be necessary or as circumstances may require, shall administer and calculate the claims submitted by Settlement Class Members and shall oversee distribution of the Net Settlement Fund to Authorized Claimants.

6.2 The Court shall have and retain exclusive jurisdiction over the Settlement Fund, which shall be applied as follows:

- (a) to pay all Notice and Administration Expenses;
- (b) to pay the Taxes and Tax Expenses described in ¶2.12 hereof;
- (c) to pay attorneys' fees and expenses of Federal Lead Counsel and State Lead Counsel (the "Fee and Expense Award") and any service award to Federal Plaintiffs, if and to the extent allowed by the Court, and any service award and/or reimbursement to State Plaintiff approved by the State Court; and
- (d) after the Effective Date, to distribute the Net Settlement Fund to Authorized Claimants as allowed by the Stipulation, the Plan of Allocation, or the Court.

6.3 After the Effective Date, and in accordance with the terms of the Stipulation, the Plan of Allocation, or such further approval and further order(s) of the Court as may be necessary or as circumstances may require, the Net Settlement Fund shall be distributed to Authorized Claimants, subject to and in accordance with the following.

6.4 Within ninety (90) days after the mailing of the Notice or such other time as may be set by the Court, each Person claiming to be an Authorized Claimant shall be required to submit to the Claims Administrator a completed Proof of Claim and Release, substantially in the form of

Exhibit A-2 attached hereto, signed under penalty of perjury and supported by such documents as are specified in the Proof of Claim and Release.

6.5 Except as otherwise ordered by the Court, all Settlement Class Members who fail to timely submit a valid Proof of Claim and Release within such period, or such other period as may be ordered by the Court, or otherwise allowed, shall be forever barred from receiving any payments pursuant to the Stipulation and the settlement set forth herein, but will in all other respects be subject to and bound by the provisions of the Stipulation, the releases contained herein, and the Judgment. Notwithstanding the foregoing, Federal Lead Counsel and State Lead Counsel shall have the discretion (but not an obligation) to accept late-submitted claims for processing by the Claims Administrator so long as the distribution of the Net Settlement Fund to Authorized Claimants is not materially delayed thereby. Federal Lead Counsel and State Lead Counsel shall also have the right, but not the obligation, to advise the Claims Administrator to waive what Federal Lead Counsel and State Lead Counsel deem to be de minimis or formal or technical defects in any Proof of Claim and Release submitted.

6.6 Proofs of Claim and Release that do not meet the submission requirements may be rejected. Prior to rejecting a Proof of Claim and Release in whole or in part, the Claims Administrator shall communicate with the claimant in writing to give the claimant the chance to remedy any curable deficiencies in the Proof of Claim and Release submitted. The Claims Administrator, under such supervision of Federal Lead Counsel and State Lead Counsel, as necessary, shall notify, in a timely fashion and in writing, all claimants whose claims the Claims Administrator proposes to reject in whole or in part for curable deficiencies, setting forth the reasons therefor, and shall indicate in such notice that the claimant whose claim is to be rejected

has the right to a review by the Court if the claimant so desires and complies with the requirements of ¶6.7 below.

6.7 If any claimant whose timely claim has been rejected in whole or in part for a curable deficiency desires to contest such rejection, the claimant must, within twenty (20) calendar days after the date of mailing of the notice required in ¶6.6 above, or a lesser period of time if the claim was untimely, serve upon the Claims Administrator a notice and statement of reasons indicating the claimant's grounds for contesting the rejection along with any supporting documentation, and requesting a review thereof by the Court.

6.8 The Net Settlement Fund shall be distributed to the Authorized Claimants substantially in accordance with the Plan of Allocation set forth in the Notice and approved by the Court. If there is any balance remaining in the Net Settlement Fund after a reasonable period of time after the date of the initial distribution of the Net Settlement Fund, Federal Lead Counsel and State Lead Counsel shall, if feasible, reallocate (which reallocation may occur on multiple occasions) such balance among Authorized Claimants in the manner described in the Plan of Allocation. Thereafter, any balance not economically feasible to otherwise distribute which still remains in the Net Settlement Fund shall be donated to a 501(c)(3) non-profit organization selected by, and unaffiliated with, Federal Lead Counsel and State Lead Counsel, subject to approval by the Court.

6.9 Defendants and their Related Parties shall have no responsibility for, interest in, or liability whatsoever with respect to: (i) any act, omission, or determination by Federal Lead Counsel or State Lead Counsel, the Escrow Agent, or the Claims Administrator, or any of their respective designees or agents, in connection with the administration of the settlement or otherwise; (ii) the management, investment, or distribution of the Settlement Fund; (iii) the Plan

of Allocation; (iv) the determination, administration, or calculation of claims to be paid from the Settlement Fund; or (v) the payment or withholding of Taxes or Tax Expenses, or any expenses or losses incurred in connection therewith. No Person shall have any claim of any kind against Defendants or their Related Parties with respect to the matters set forth in ¶¶6.1-6.9 hereof; and the Settlement Class Members, Federal Plaintiffs, State Plaintiff, and Federal and State Lead Counsel release Defendants and their Related Parties from any and all liability and claims arising from or with respect to the administration, investment or distribution of the Settlement Fund.

6.10 No Person shall have any claim against Federal Plaintiffs, State Plaintiff, Federal Lead Counsel or State Lead Counsel or the Claims Administrator, or any other Person designated by Federal Lead Counsel and State Lead Counsel, based on determinations or distributions made substantially in accordance with this Stipulation and the settlement contained herein, the Plan of Allocation, or further order(s) of the Court.

6.11 It is understood and agreed by the Settling Parties that any proposed Plan of Allocation of the Net Settlement Fund including, but not limited to, any adjustments to an Authorized Claimant's claim set forth therein, is not a part of the Stipulation and is to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the settlement set forth in the Stipulation, and any order or proceeding relating to the Plan of Allocation shall not operate to terminate or cancel the Stipulation or affect the finality of the Court's Judgment approving the Stipulation and the settlement set forth therein.

## **7. Federal and State Lead Counsel's Attorneys' Fees and Expenses**

7.1 Federal Lead Counsel and State Lead Counsel may submit an application or applications (the "Fee and Expense Application") to the Court for distributions from the Settlement Fund for: (a) an award of attorneys' fees; plus (b) expenses or charges incurred in connection with

prosecuting the Litigations; plus (c) any interest on such attorneys' fees and expenses at the same rate and for the same periods as earned by the Settlement Fund (until paid) as may be awarded by the Court.

7.2 Any fees and expenses awarded by the Court shall be paid to Federal Lead Counsel and State Lead Counsel from the Settlement Fund, as ordered, immediately after the Court executes the Judgment and an order awarding such fees and expenses.

7.3 In the event that the Effective Date does not occur, or the Judgment or the order making the Fee and Expense Award is reversed or modified, or this Stipulation is canceled or terminated for any other reason, and such reversal, modification, cancellation, or termination becomes Final and not subject to review, and in the event that the Fee and Expense Award has been paid to any extent, then Federal Lead Counsel and State Lead Counsel, including its partners and/or shareholders who have received any portion of the Fee and Expense Award shall, within ten (10) business days from receiving notice from the Tezos Foundation's counsel or from a court of appropriate jurisdiction, refund to the Settlement Fund such fees and expenses previously paid to them from the Settlement Fund plus interest thereon at the same rate as earned on the Settlement Fund in an amount consistent with such reversal or modification. Any refunds required pursuant to ¶7.3 shall be the several obligation of Federal Lead Counsel and State Lead Counsel, including their partners and/or shareholders.

7.4 The procedure for and the allowance or disallowance by the Court of any applications by any plaintiff's counsel for attorneys' fees and expenses, by the Federal Plaintiffs for a service award, or by any State Plaintiff for a service award in the State Court, to be paid out of the Settlement Fund, are not part of the settlement set forth in the Stipulation, and are to be considered by the Court (and/or the State Court, in the case of any application for a service award

to the State Plaintiff) separately from the Court's consideration of the fairness, reasonableness and adequacy of the settlement set forth in the Stipulation. Any order or proceeding relating to the Fee and Expense Application, or application for service award, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel the Stipulation, or affect or delay the finality of the Judgment approving the Stipulation and the settlement of the Litigations set forth therein.

7.5 Any fees and/or expenses awarded by the Court shall be paid solely from the Settlement Fund. Defendants and their Related Parties shall have no responsibility for any payment of attorneys' fees and/or expenses to Federal Lead Counsel or State Lead Counsel, or any other plaintiff's counsel, or service award to any Federal Plaintiffs or State Plaintiff.

7.6 Defendants are not entitled to any award of fees or expenses from the Settlement Fund.

7.7 Defendants and their Related Parties shall have no responsibility or liability whatsoever for the allocation among Federal Lead Counsel or State Lead Counsel, or any other plaintiff's counsel, and or any other Person who may assert some claim thereto, of any Fee and Expense Award that the Court may make in the Litigations. Nor shall Defendants or their Related Parties have any responsibility for the allocation of any Fee and Expense Award that the Court may award to State Lead Counsel, and any allocation of any such award among the various State Lead Counsel shall be at the sole discretion of State Lead Counsel.

## **8. Conditions of Settlement, Effect of Disapproval, Cancellation or Termination**

8.1 The Effective Date of the Stipulation shall be conditioned on the occurrence of all of the following events:

- (a) the Settlement Amount has been deposited into the Escrow Account;

- (b) the Court has entered the Preliminary Approval Order, as required by ¶3.1 hereof;
- (c) the Court has entered the Judgment, or a judgment substantially in the form of Exhibit B attached hereto;
- (d) the Foundation has not exercised its option to terminate the Stipulation pursuant to ¶8.4 hereof;
- (e) the Judgment has become Final, as defined in ¶1.13 hereof; and
- (f) the State Court has entered an order dismissing the State Litigation with prejudice, and the State Court's order dismissing the State Litigation with prejudice has become Final, as defined in ¶1.13 hereof.

8.2 Upon the Effective Date, any and all remaining interest or right of Defendants in or to the Settlement Fund, if any, shall be absolutely and forever extinguished.

8.3 If the conditions specified in ¶8.1 hereof are not met, then the Stipulation shall be canceled and terminated subject to ¶¶8.5-8.7 hereof unless Federal Lead Counsel and State Lead Counsel and counsel for all Defendants mutually agree in writing to proceed with the Stipulation.

8.4 If Persons who would otherwise be Settlement Class Members have timely requested exclusion from this settlement in accordance with the Notice, the Foundation shall have the option to terminate the settlement in the event that Settlement Class Members representing more than 5% of all XTZ tokens allocated in the Tezos genesis block (i.e. 38,000,000 of XTZ tokens) exclude themselves from the Class.

8.5 Unless otherwise ordered by the Court, in the event the Stipulation shall terminate, or be canceled, or shall not become effective for any reason, within five (5) business days after written notification of such event is sent by counsel for any Defendant or Federal Lead Counsel and State Lead Counsel to the Escrow Agent, the Settlement Fund (including accrued interest),

less expenses which have either been disbursed pursuant to ¶¶2.10 or 2.12 hereof, or are chargeable to the Settlement Fund pursuant to ¶¶2.10 or 2.12 hereof, shall be refunded by the Escrow Agent pursuant to written instructions from the Tezos Foundation's counsel. The Escrow Agent or its designee shall apply for any tax refund owed on the Settlement Amount and pay the proceeds, after deduction of any fees or expenses incurred in connection with such application(s) for refund, pursuant to written instructions from the Tezos Foundation's counsel.

8.6 In the event that the Stipulation is not approved by the Court or the settlement set forth in the Stipulation is terminated or fails to become effective in accordance with its terms, the Settling Parties shall be restored to their respective positions in the Litigations as of November 25, 2019. In such event, the terms and provisions of the Stipulation, with the exception of ¶¶1.1-1.39, 2.10-2.13, 6.9, 7.3, 7.5, 8.5-8.7, 9.7, and 9.9 hereof, shall be null and void, have no further force and effect, and shall not be used in these Litigations or in any other proceeding for any purpose, and any judgment or order entered by the Court in accordance with the terms of the Stipulation shall be treated as vacated, *nunc pro tunc*, and shall not be used in the Litigations or in any other proceeding for any purpose. No order of the Court or modification or reversal on appeal of any order of the Court concerning the Plan of Allocation, or any attorneys' fees, expenses, and interest awarded by the Court to Federal Lead Counsel or State Lead Counsel, or any other plaintiff's counsel, or any order of the Court or State Court concerning the amount of any service award, shall operate to terminate or cancel this Stipulation or constitute grounds for cancellation or termination of the Stipulation.

8.7 If the Effective Date does not occur, or if the Stipulation is terminated pursuant to its terms, neither Federal Lead Plaintiff nor State Plaintiff nor any of their counsel shall have any obligation to repay any amounts disbursed pursuant to ¶¶2.10 or 2.12. In addition, any expenses

already incurred pursuant to ¶¶2.10 or 2.12 hereof at the time of such termination or cancellation but which have not been paid, shall be paid by the Escrow Agent in accordance with the terms of the Stipulation prior to the balance being refunded in accordance with ¶¶2.13 and 8.5 hereof.

8.8 The Tezos Foundation warrants and represents that it is not “insolvent” within the meaning of 11 U.S.C. §101(32) as of the time the Stipulation is executed and anticipates it will not be as of the time the payments of the Settlement Amount are actually transferred or made as reflected in the Stipulation. This representation is made by the Tezos Foundation and not by the Foundation’s counsel. In the event of a final order of a court of competent jurisdiction, not subject to any further proceedings, determining the transfer of the Settlement Amount to the Settlement Fund, or any portion thereof, by the Foundation to be a voidable preference, voidable transfer, fraudulent transfer, or similar transaction under Title 11 of the United States Code (Bankruptcy), or applicable state law, and any portion thereof is required to be refunded, then the Settling Parties shall jointly move the Court to vacate and set aside the release given and the Judgment entered in favor of Defendants, the Settling Parties shall be restored to their litigation positions as of November 25, 2019, and the Settlement Fund shall be promptly returned.

## **9. Miscellaneous Provisions**

9.1 The Settling Parties: (a) acknowledge that it is their intent to consummate this Stipulation; and (b) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of the Stipulation and to exercise their best efforts to accomplish the foregoing terms and conditions of the Stipulation.

9.2 The Settling Parties and their respective counsel agree that they will act in good faith, will not engage in any conduct that could frustrate the purpose of this Stipulation or the mutual releases contained therein.

9.3 Defendants and the State Plaintiff agree that they will cooperate in obtaining dismissal of the State Litigation with prejudice pursuant to ¶¶4.1- 4.4.

9.4 In connection with the approval of the settlement by the Court, Defendants will not dispute that, based upon the publicly available information at the time, the action filed was filed in good faith and with an adequate basis in fact, was not frivolous and is being settled voluntarily by the Defendants after consultation with competent legal counsel in an amount and in a fashion that reflects the merits of the claims.

9.5 The determination of the terms and conditions contained herein and the drafting of the provisions of this Stipulation have been by mutual understanding after negotiation, with consideration by, and participation of, the Settling Parties and their counsel. This Stipulation shall not be construed against any Settling Party on the basis that it was the drafter or participated in the drafting. Any statute or rule of construction that ambiguities are to be resolved against the drafting party shall not be employed in the implementation of this Stipulation and the Settling Parties agree that the drafting of this Stipulation has been a mutual undertaking.

9.6 The Settling Parties intend this settlement to be a final and complete resolution of all disputes and claims between Releasing Plaintiffs and Settlement Class Members, on the one hand, and Released Defendants, on the other hand, with respect to the Litigations. The settlement resolves claims which are contested and shall not be deemed an admission by any Settling Party as to the merits of any claim or defense. The Settling Parties agree that, and the Judgment will contain a finding that, during the course of the Litigations, the parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11 and California Code of Civil Procedure §128.7. The Settling Parties agree that the Settlement Amount and the

other terms of the settlement were negotiated in good faith by the Settling Parties, and reflect a settlement that was reached voluntarily after consultation with competent legal counsel.

9.7 Neither this Stipulation nor the settlement contained herein, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the settlement: (a) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim, the truth of any of the allegations in the Litigations of any wrongdoing, fault, or liability of Defendants or their respective Related Parties, or that Federal Lead Plaintiff or State Plaintiff or any Settlement Class Members have suffered any damages, harm, or loss; (b) is or may be deemed to be or may be used as an admission of, or evidence of, the appropriateness of treating the Litigations as a class action for any other purpose than the settlement; or (c) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any of Defendants or their respective Related Parties in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal.

9.8 Defendants and/or their respective Related Parties may file this Stipulation and/or the Judgment in any other action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any theory of claim preclusion or issue preclusion or similar defense or counterclaim.

9.9 All agreements made and orders entered during the course of the Litigations relating to the confidentiality of information shall survive this Stipulation.

9.10 All of the Exhibits to the Stipulation are material and integral parts hereof and are fully incorporated herein by this reference.

9.11 The Stipulation may be amended or modified only by a written instrument signed by or on behalf of all Settling Parties or their respective successors-in-interest.

9.12 The Stipulation and the Exhibits attached hereto constitute the entire agreement among the parties hereto and no representations, warranties or inducements have been made to any party concerning the Stipulation or its Exhibits other than the representations, warranties, and covenants contained and memorialized in such documents. Except as otherwise provided herein or under the terms of any bylaws or other written agreements between or among some or all Defendants, each party shall bear its own costs and expenses.

9.13 Federal Lead Counsel, on behalf of the Settlement Class, is expressly authorized by the Federal Lead Plaintiff, and State Lead Counsel, on behalf of the State Class, is expressly authorized by the State Plaintiff, to take all appropriate action required or permitted to be taken by the class members they represent pursuant to the Stipulation to effectuate its terms and also are expressly authorized to enter into any modifications or amendments to the Stipulation on behalf of the class members they represent, which they deem appropriate.

9.14 Each counsel or other Person executing the Stipulation or any of its Exhibits on behalf of any party hereto hereby warrants that such Person has the full authority to do so.

9.15 The Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. A complete set of executed counterparts shall be filed with the Court. Signatures sent by facsimile or pdf'd via e-mail shall be deemed originals.

9.16 The Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the parties hereto.

9.17 The Court shall retain jurisdiction with respect to implementation and enforcement of the terms of the Stipulation, and all Settling Parties submit to the jurisdiction of the Court for purposes of implementing and enforcing the settlement embodied in the Stipulation and matters related to the settlement.


9.18 Pending approval of the Court of the Stipulation and its Exhibits, all proceedings in these Litigations shall be stayed and all Settlement Class Members shall be barred and enjoined from prosecuting any of the Released Claims against any of the Released Defendants.

9.19 This Stipulation and the Exhibits hereto shall be considered to have been negotiated, executed and delivered, and to be wholly performed, in the State of California, and the rights and obligations of the parties to the Stipulation shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of the State of California without giving effect to that State's choice-of-law principles.

IN WITNESS WHEREOF, the parties hereto have caused the Stipulation to be executed,  
by their duly authorized attorneys, dated March 16, 2020.

Dated March 16, 2020

BLOCK & LEVITON LLP



Jeffrey C. Block  
Jacob A. Walker  
260 Franklin Street, Suite 1860  
Boston, MA 02110  
(617) 398-5600 phone  
jeff@blockesq.com  
jake@blockesq.com

*Court-Appointed Co-Lead Counsel and  
Counsel to Lead Plaintiff Trigon Trading Pty.  
Ltd.*

Dated \_\_\_\_\_

HUNG G. TA, ESQ. PLLC

---

Hung G. Ta  
JooYun Kim  
Natalia Williams  
Angus Ni  
250 Park Avenue, 7th Floor  
New York, NY 10177  
(646) 453-7288 phone  
hta@hgtlaw.com  
jooyun@hgtlaw.com  
natalia@hgtlaw.com  
angus@hgtlaw.com

*Court-Appointed Co-Lead Counsel and  
Counsel to Pumaro LLC, Artiom Frunze,  
Hayden Hsiung, and Gijs Matser*

IN WITNESS WHEREOF, the parties hereto have caused the Stipulation to be executed,  
by their duly authorized attorneys, dated March 16, 2020.

Dated \_\_\_\_\_


BLOCK & LEVITON LLP

\_\_\_\_\_  
Jeffrey C. Block  
Jacob A. Walker  
260 Franklin Street, Suite 1860  
Boston, MA 02110  
(617) 398-5600 phone  
jeff@blockesq.com  
jake@blockesq.com

*Court-Appointed Co-Lead Counsel and  
Counsel to Lead Plaintiff Trigon Trading Pty.  
Ltd.*

Dated \_\_\_\_\_

HUNG G. TA, ESQ. PLLC

\_\_\_\_\_  
  
Hung G. Ta  
JooYun Kim  
Natalia Williams  
Angus Ni  
250 Park Avenue, 7th Floor  
New York, NY 10177  
(646) 453-7288 phone  
hta@hgtlaw.com  
jooyun@hgtlaw.com  
natalia@hgtlaw.com  
angus@hgtlaw.com

*Court-Appointed Co-Lead Counsel and  
Counsel to Pumaro LLC, Artiom Frunze,  
Hayden Hsiung, and Gijs Matser*

Dated 3/16/20

ROBBINS GELLER RUDMAN & DOWD  
LLP


A handwritten signature in black ink, appearing to read 'L. Olts', written over a horizontal line.

Luke Olts  
Sarah Polychron  
Brian Cochran  
655 West Broadway, Suite 1900  
San Diego, CA 92101  
(619) 231-1058 phone  
lolts@rgrdlaw.com  
spolychron@rgrdlaw.com  
bcochran@rgrdlaw.com

*Counsel to State Court Plaintiff Andrew Baker*

Dated March 19, 2020

DAVIS POLK & WARDWELL LLP



Neal A. Potischman  
Serge A. Voronov  
1600 El Camino Real  
Menlo Park, CA 94025  
(650) 752-2000  
neal.potischman@davispolk.com  
serge.voronov@davispolk.com

Edmund Polubinski III  
Andrew S. Gehring  
450 Lexington Avenue  
New York, NY 10017  
(212) 450-4000 phone  
edmund.polubinski@davispolk.com  
andrew.gehring@davispolk.com

GOODWIN PROCTER LLP

Grant P. Fondo  
601 Marshall Street  
Redwood City, CA 94063  
(650) 752-3100 phone  
gfondo@goodwinlaw.com

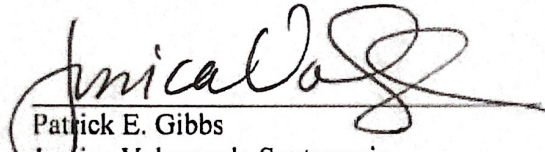
Nicholas A. Reider  
Three Embarcadero Center  
San Francisco, CA 94111  
(415) 733-6000 phone  
nreider@goodwinlaw.com

Daniel P Roeser  
Charles A. Brown  
620 Eighth Avenue  
New York, NY 10018  
(212) 813-8800 phone  
droeser@goodwinlaw.com  
cbrown@goodwinlaw.com

*Attorneys for Defendant Tezos Stiftung*

Dated 3/16/20

COOLEY LLP



Patrick E. Gibbs

Jessica Valenzuela Santamaria

Davis S. Houska

Jessie A.R. Simpson Lagoy

3175 Hanover Street

Palo Alto, CA 94304

(650) 843-5000 phone

pgibbs@cooley.com

jvs@cooley.com

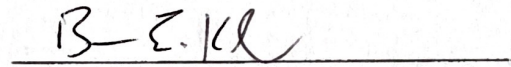
dhouska@cooley.com

jsimpsonlagoy@cooley.com

*Attorneys for Defendant Dynamic Ledger  
Solution*

Dated 3/18/20

BAKER MARQUART LLP



Brian E. Klein

Scott M. Malzahn

Donald R. Pepperman

Teresa L. Huggins

777 S. Figueroa St., Suite 2850

Los Angeles, CA 90017

(424) 652-7800 phone

bklein@bakermarquart.com

smalzahn@bakermarquart.com

dpepperman@bakermarquart.com

thuggins@bakermarquart.com

*Attorneys for Defendants Arthur Breitman,  
Kathleen Breitman, and Dynamic Ledger  
Solutions, Inc.*

Exhibit A

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

**UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA**

Case No. 3:17-cv-06779-RS

IN RE TEZOS SECURITIES LITIGATION

**[PROPOSED] ORDER  
PRELIMINARILY APPROVING  
SETTLEMENT AND PROVIDING  
FOR NOTICE**

Exhibit A

1 WHEREAS, a consolidated class action is pending before this Court entitled *In re Tezos*  
2 *Securities Litigation*, Case No. 3:17-cv-06779-RS (the “Federal Litigation” or the “Action”);

3 WHEREAS, a coordinated action is pending in the Superior Court of the State of  
4 California, County of San Francisco, entitled *Tezos ICO Cases*, Case No. CJC-18-004978 (the  
5 “State Litigation”);

6  
7 WHEREAS, the parties having made application, pursuant to Federal Rule of Civil  
8 Procedure 23(e), for an order preliminarily approving the settlement of the Federal Litigation, in  
9 accordance with a Stipulation of Settlement dated March 16, 2020 (the “Stipulation”), which,  
10 together with the Exhibits annexed thereto, sets forth the terms and conditions for a proposed  
11 settlement of the Federal Litigation and for dismissal of the Federal Litigation and the State  
12 Litigation with prejudice upon the terms and conditions set forth therein; and the Court having  
13 read and considered the Stipulation and Exhibits annexed thereto; and  
14

15 WHEREAS, unless otherwise defined, all terms used herein have the same meanings as set  
16 forth in the Stipulation.

17 NOW, THEREFORE, IT IS HEREBY ORDERED:

18 1. **Preliminary Approval of the Settlement** – The Court hereby preliminarily  
19 approves the settlement, as embodied in the Stipulation, as being fair, reasonable and adequate to  
20 the Settlement Class under Rule 23(e)(2), and certifies the Settlement Class for purposes of  
21 judgment on the settlement based on the parties’ showing that the Court will likely be able to  
22 approve the settlement, subject to further consideration at the Settlement Hearing to be conducted  
23 as described below.  
24

25 2. **Settlement Hearing** – The Court will hold a settlement hearing (the “Settlement  
26 Hearing”) on \_\_\_\_\_, 2020 at \_\_:\_\_.m. at the United States District Court for the Northern  
27

## Exhibit A

1 District of California, 450 Golden Gate Avenue, San Francisco, CA 94102, for the following  
 2 purposes: (a) to determine whether the proposed settlement on the terms and conditions provided  
 3 for in the Stipulation is fair, reasonable and adequate to the Settlement Class, and should be  
 4 approved by the Court; (b) to determine whether a Judgment substantially in the form attached as  
 5 Exhibit B to the Stipulation should be entered dismissing the Action with prejudice against  
 6 Defendants; (c) to determine whether the proposed Plan of Allocation for the proceeds of the  
 7 settlement is fair and reasonable and should be approved; (d) to determine the amount of fees and  
 8 expenses that should be awarded to Federal and State Lead Counsel; and (e) to consider any other  
 9 matters that may properly be brought before the Court in connection with the settlement. Notice  
 10 of the settlement and the Settlement Hearing (“Notice”) shall be given to the Settlement Class  
 11 Members as set forth in paragraph 4 of this Order.  
 12

13  
 14 3. The Court may adjourn the Settlement Hearing without further notice to the  
 15 Settlement Class, and may approve the proposed settlement with such modifications as the parties  
 16 may agree to, if appropriate, without further notice to the Settlement Class.

17 4. Pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure, and for  
 18 purposes of this settlement only, the Action is hereby preliminarily certified as a class action on  
 19 behalf of: all persons and entities who, directly or through an intermediary, contributed bitcoin  
 20 and/or ether to what the Defendants describe as a fundraiser and what the Plaintiffs describe as an  
 21 initial coin offering conducted by the Foundation between July 1, 2017 and July 13, 2017,  
 22 inclusive. Excluded from the Settlement Class are: (i) Defendants; (ii) members of the immediate  
 23 family of Arthur Breitman, Kathleen Breitman, Johann Gevers, or Timothy Draper; (iii) any person  
 24 who was an officer or director of the Foundation, DLS, Draper Associates V Crypto LLC (“Draper  
 25 Associates”), or Bitcoin Suisse AG (“BTCS”) during the Fundraiser and any members of their  
 26  
 27

## Exhibit A

1 immediate families; (iv) any parent, subsidiary, or affiliate of the Foundation, DLS, Draper  
 2 Associates, or BTCS; (v) any firm, trust, corporation, or other entity in which any Defendant or  
 3 any other excluded person or entity had a controlling interest during the Fundraiser; and (vi) the  
 4 legal representatives, agents, affiliates, heirs, successors-in-interest, or assigns of any such  
 5 excluded persons or entities.

6  
 7 5. Also excluded from the Settlement Class are those Persons who timely and validly  
 8 request exclusion from the Settlement Class pursuant to the requirements described below and in  
 9 the Notice to be sent to Class Members pursuant to this Order.

10 6. The Court finds, for the purposes of the settlement only, that the prerequisites for a  
 11 class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been  
 12 satisfied in that: (a) the number of Settlement Class Members is so numerous that joinder of all  
 13 members is impracticable; (b) there are questions of law and fact common to the Settlement Class;  
 14 (c) the claims of Lead Plaintiff are typical of the claims of the Settlement Class they seek to  
 15 represent; (d) Plaintiffs and Lead Counsel have and will fairly and adequately represent the  
 16 interests of the Settlement Class; (e) the questions of law and fact common to members of the  
 17 Settlement Class predominate over any questions affecting only individual members of the  
 18 Settlement Class; and (f) a class action is superior to other available methods for the fair and  
 19 efficient adjudication of the controversy.  
 20  
 21

22 7. **Retention of Claims Administrator and Manner of Giving Notice** – Federal and  
 23 State Lead Counsel is hereby authorized to retain Epiq Class Action & Claims Solutions, Inc. (the  
 24 “Claims Administrator”) to supervise and administer the notice procedure in connection with the  
 25 proposed settlement as well as the processing of Claims as more fully set forth below. Notice of  
 26 the settlement and the Settlement Hearing shall be given by Federal and State Lead Counsel as  
 27

## Exhibit A

1 follows:

- 2 a. Defendant Tezos Stiftung (the “Tezos Foundation” or the “Foundation”) shall  
3 cooperate in providing or causing to be provided to the Claims Administrator in  
4 electronic format (at no cost to the Settlement Fund, Lead Counsel, or the Claims  
5 Administrator), information in the possession of the Foundation that is designed to  
6 allow the Notice Administrator to attempt to contact class members and potential  
7 class members, including contact information collected in 2017, through the “Know  
8 Your Customer” process, or otherwise (the “Email List”);
- 9 b. At least 70 days prior to the Settlement Hearing, the Claims Administrator shall  
10 send one copy of the Summary Notice and at least one reminder via electronic mail  
11 to all email addresses on the Email List (the “Notice Date”);
- 12 c. The Claims Administrator shall establish and run a website (the “Settlement  
13 Website”) which includes relevant documents from the State and Federal  
14 Litigation, a copy of the Summary Notice and Notice, a copy of the Claim Form,  
15 an electronic version of the Claim Form, contact information for the Claims  
16 Administrator, and other relevant information;
- 17 d. Not later than ten business days after the Notice Date, the Claims Administrator  
18 shall cause advertisements to begin running on websites associated with Tezos and  
19 cryptocurrency generally, including, but not limited to Twitter, Reddit, the Google  
20 Display Network, and the Baidu Display Network, and those advertisements shall  
21 link to the Settlement Website;
- 22 e. Not later than ten business days after the Notice Date, the Claims Administrator  
23 shall cause to be published over a reputable business newswire a press release  
24  
25  
26  
27

## Exhibit A

announcing the details of the settlement and providing a link to the Settlement Website;

f. Not later than seven calendar days prior to the Settlement Hearing, Federal Lead Counsel shall serve on Defendants' Counsel and file with the Court proof, by affidavit or declaration, of such publication;

g. The Claims Administrator will treat the Email List and other information provided by the Foundation about actual and potential contributors as confidential information. The Claims Administrator will not disseminate such information unless required by Court order, and will maintain such information in compliance with applicable privacy and data protection laws. To the extent that any personal identifying information is required to be filed with the Court, the parties agree to cooperate and to seek to file such information under seal. Within 90 days after the settlement becomes Final or is terminated, the Claims Administrator will destroy the Email List and related information within 90 days, and will report on its compliance to the Tezos Foundation.

8. **Approval of Form and Content of Notice** – The Court: (a) approves, as to form and content, the Notice, Claim Form, and the Summary Notice attached hereto as Exhibits 1, 2, and 3, respectively; and (b) finds that the electronic distribution of the Summary Notice, the posting of the Notice and Claim Form online, and the publication of the Summary Notice in the manner and form set forth in paragraph 4 of this Order: (i) is the best notice practicable under the circumstances; (ii) constitutes notice that is reasonably calculated, under the circumstances, to apprise Settlement Class Members of the pendency of the Action, of the effect of the proposed settlement (including the Releases to be provided thereunder), of Federal and State Lead Counsel's

## Exhibit A

1 motion for an award of attorneys' fees and expenses, of their right to exclude themselves from the  
 2 Settlement Class, and of their right to appear at the Settlement Hearing; (iii) constitutes due,  
 3 adequate and sufficient notices to all persons and entities entitled to receive notice of the proposed  
 4 settlement; and (iv) satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure;  
 5 Section 27 of the Securities Act of 1933, 15 U.S.C. § 77z-1(a)(7) as amended by the Private  
 6 Securities Litigation Reform Act; the United States Constitution (including the Due Process  
 7 Clause), and all other applicable laws and rules.

9       9.     **Participation in the Settlement** – Settlement Class Members who wish to  
 10 participate in the settlement and to be eligible to receive a distribution from the Net Settlement  
 11 Fund must complete and submit a Proof of Claim and Release in accordance with the instructions  
 12 contained therein. Unless the Court orders otherwise, all Proofs of Claim and Release must be  
 13 submitted no later than one hundred twenty (120) calendar days after the Notice Date.  
 14 Notwithstanding the foregoing, Federal and State Lead Counsel shall have the discretion (but not  
 15 an obligation) to accept late-submitted claims for processing by the Claims Administrator so long  
 16 as the distribution of the Net Settlement Fund to Authorized Claimants is not materially delayed  
 17 thereby. By submitting a Proof of Claim and Release, a person or entity shall be deemed to have  
 18 submitted to the jurisdiction of the Court with respect to his, her or its Claim and the subject matter  
 19 of the settlement.  
 20

21  
 22       10.    Each Proof of Claim and Release submitted must be signed under penalty of perjury  
 23 and supported by such documents as are specified in the Proof of Claim and Release.

24       11.    Except as otherwise ordered by the Court, all Settlement Class Members who fail  
 25 to timely submit a valid Proof of Claim and Release within such period, or such other period as  
 26 may be ordered by the Court, or otherwise allowed, shall be forever barred from receiving any  
 27

## Exhibit A

1 payments pursuant to the Stipulation and the settlement, but shall in all other respects be subject  
 2 to and bound by the provisions of the Stipulation, the releases contained therein, and the Judgment.  
 3 Notwithstanding the foregoing, late Proofs of Claim and Release may be accepted for processing  
 4 as set forth in paragraph 6 above.

5  
 6 12. **Exclusion from the Settlement Class** – Any member of the Settlement Class who  
 7 wishes to opt out of the Settlement Class must submit a timely written request for exclusion on or  
 8 before the opt out date and in the manner set forth in the Notice; which shall provide that: (a) any  
 9 such request for exclusion from the Settlement Class must be mailed or delivered such that it is  
 10 received no later than twenty-one (21) calendar days prior to the Settlement Hearing, to: *In re*  
 11 *Tezos Securities Litigation*, c/o Epiq, P.O. Box 3770, Portland, OR 97208-3770; and (b) each  
 12 request for exclusion must state (i) the name, address, email address, and telephone number of the  
 13 person or entity requesting exclusion, and in the case of entities, the name and telephone number  
 14 of the appropriate contact person; (ii) state that such person or entity “requests exclusion from the  
 15 Settlement Class in *In re Tezos Securities Litigation*, No. 3:17-cv-06779-RS; (iii) state the date  
 16 and amount of Bitcoin or Ethereum contributed to the Tezos Foundation in July 2017, the number  
 17 of Tezos tokens (*i.e.*, Tezzies or XTZ) allocated to such person or entity in connection with the  
 18 contribution; as well as the date or dates of any sale or distribution of Tezos tokens (*i.e.*, Tezzies  
 19 of XTZ); and provide documentary proof of the above; and (iv) be signed by the person or entity  
 20 requesting exclusion or an authorized representative. A request for exclusion shall not be effective  
 21 unless it provides all the information required and is received within the time stated above, or is  
 22 otherwise accepted by the Court. Group opt-outs, including “mass” or “class” opt outs, are  
 23 prohibited.

24 13. Any person or entity who or which timely and validly requests exclusion in  
 25  
 26  
 27

## Exhibit A

1 compliance with the terms stated in this Order and is excluded from the Settlement Class shall not  
 2 be a Settlement Class Member, shall not be bound by the terms of the settlement or any orders or  
 3 judgments in the Action and shall not receive any payment out of the Net Settlement Fund.

4           14. Any Settlement Class Member who or which does not timely and validly request  
 5 exclusion from the Settlement Class in the manner stated in this Order: (a) shall be deemed to have  
 6 waived his, her or its right to be excluded from the Settlement Class; (b) shall be forever barred  
 7 from requesting exclusion from the Settlement Class in this or any other proceeding; (c) shall be  
 8 bound by the provisions of the Stipulation and settlement and all proceedings, determinations,  
 9 orders and judgments in the Action, including, but not limited to, the Judgment or Alternative  
 10 Judgment, if applicable, and the Releases provided for therein, whether favorable or unfavorable  
 11 to the Settlement Class; and (d) will be barred from commencing, instituting, prosecuting or  
 12 continuing to prosecute any of the Released Claims (including Unknown Claims) against any of  
 13 the Released Defendants, their Related Parties, and their respective counsel as more fully described  
 14 in the Stipulation and Notice.

17           15. **Appearance and Objections at Settlement Hearing** – Any Settlement Class  
 18 Member who does not request exclusion from the Settlement Class may enter an appearance in the  
 19 Action, at their own expense, individually or through counsel of their own choice, by filing with  
 20 the Clerk of Court and delivering a notice of appearance to both Federal and State Lead Counsel  
 21 and Defendants' Counsel, at the addresses set forth in paragraph \_ below, such that it is received  
 22 no later than twenty-one (21) calendar days prior to the Settlement Hearing, or as the Court may  
 23 otherwise direct. Any Settlement Class Member who does not enter an appearance will be  
 24 represented by Federal Lead Counsel.

26           16. Any Settlement Class Member may appear and show cause why the proposed  
 27

## Exhibit A

1 settlement should or should not be approved as fair, reasonable, and adequate, why a judgment  
 2 should or should not be entered thereon, why the proposed Plan of Allocation should or should not  
 3 be approved, or why attorneys' fees and expenses should or should not be awarded to Federal and  
 4 State Lead Counsel; provided, however, that no Settlement Class Member or any other Person  
 5 shall be heard or entitled to contest such matters, unless that person or entity has submitted said  
 6 objections, papers, and briefs to the Court and served copies of such objection on Federal and State  
 7 Lead Counsel and Defendants' Counsel at the addresses set forth below such that they are received  
 8 no later than twenty-one (21) calendar days prior to the Settlement Hearing.

**Class Counsel**

11 Block & Leviton LLP  
 12 Attn: Jacob A. Walker, Esq.  
 13 260 Franklin Street, Suite 1860  
 14 Boston, MA 02110

**Defendants' Counsel**

11 Baker Marquart LLP  
 12 Attn: Brian E. Klein  
 13 777 S. Figueroa Street, Suite 2850  
 14 Los Angeles, CA 90017

15 Davis Polk & Wardwell LLP  
 16 Attn: Neal A. Potischman  
 17 1600 El Camino Real  
 18 Menlo Park, CA 94025

17 17. Any objections, filings and other submissions by the objecting Settlement Class  
 18 Member: (a) must state the name, address, and telephone number of the person or entity objecting  
 19 and must be signed by the objector; (b) must contain a statement of the Settlement Class Member's  
 20 objection or objections, and the specific reason for each objection, including any legal and  
 21 evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and (c)  
 22 must include documents sufficient to prove membership in the Settlement Class. The objection  
 23 must state whether it applies only to the objector, to a specific subset of the Settlement Class, or  
 24 to the entire Settlement Class. Objectors who enter an appearance and desire to present evidence  
 25 at the Settlement Hearing in support of their objection must include in their written objections or  
 26  
 27

Exhibit A

1 notice of appearance the identity of any witnesses they may call to testify and any exhibits they  
2 intend to introduce into evidence at the hearing.

3 18. Any Settlement Class Member who or which does not make their objection in the  
4 manner provided herein shall be deemed to have waived their right to object to any aspect of the  
5 proposed settlement, the proposed Plan of Allocation, and Federal and State Lead Counsel's  
6 motion for an award of attorneys' fees and expenses and shall be forever barred and foreclosed  
7 from objecting to the fairness, reasonableness or adequacy of the settlement, the Plan of Allocation  
8 or the requested attorneys' fees and expenses, or from otherwise being heard concerning the  
9 settlement, the Plan of Allocation or the requested attorneys' fees and expenses in this or any other  
10 proceeding.  
11

12 19. **Stay and Temporary Injunction** – Until otherwise ordered by the Court, the Court  
13 stays all proceedings in the Action other than proceedings necessary to carry out or enforce the  
14 terms and conditions of the Stipulation. Pending final determination of whether the settlement  
15 should be approved, the Court bars and enjoins Lead Plaintiff, and all other members of the  
16 Settlement Class, from commencing or prosecuting any and all of the Released Claims against any  
17 of the Defendants.  
18

19 20. As set forth in the Stipulation, State Plaintiff and State Lead Counsel, within three  
20 (3) business days of entry of the Preliminary Approval Order, will file a motion in the State Court  
21 to (a) stay further proceedings in the State Court except as may be necessary or appropriate to  
22 facilitate consummation of this settlement pending dismissal, and (b) enter an order dismissing the  
23 State Litigation with prejudice contingent upon Final approval of the settlement by the Court.  
24

25 21. **Settlement Administration Fees and Expenses** – All reasonable costs incurred in  
26 identifying Settlement Class Members and notifying them of the settlement, as well as in  
27

## Exhibit A

1 administering the settlement and providing appropriate notice under 28 U.S.C. § 1715, shall be  
 2 paid as set forth in the Stipulation without further order of the Court.

3 22. **Settlement Fund** – The contents of the Settlement Fund held by Huntington  
 4 National Bank (which the Court approves as the Escrow Agent), shall be deemed and considered  
 5 to be *in custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until  
 6 such time as they shall be distributed pursuant to the Stipulation and/or further order(s) of the  
 7 Court.  
 8

9 23. **Taxes** – The Escrow Agent is authorized and directed to prepare any tax returns  
 10 and any other tax reporting form for or in respect to the Settlement Fund, and to otherwise perform  
 11 all obligations with respect to Taxes and any reporting or filings or payment in respect thereof  
 12 without further order of the Court in a manner consistent with the provisions of the Stipulation.  
 13

14 24. **Termination of Settlement** – In the event that the Stipulation is not approved by  
 15 the Court or the settlement set forth in the Stipulation is terminated or fails to become effective in  
 16 accordance with its terms, the Settling Parties shall be restored to their respective positions in the  
 17 Litigations as of November 25, 2019. In such event, the terms and provisions of the Stipulation,  
 18 with the exception of ¶¶1.1-1.42, 2.10-2.13, 7.3, 8.5-8.7, 9.7, and 9.9 thereof, shall be null and  
 19 void, have no further force and effect, and shall not be used in the Litigations or in any other  
 20 proceeding for any purpose, and any judgment or order entered by the Court in accordance with  
 21 the terms of the Stipulation shall be treated as vacated, *nunc pro tunc*, and shall not be used in the  
 22 Litigations or in any other proceeding for any purpose.  
 23

24 25. **Use of this Order** – This proposed settlement would resolve claims which are  
 25 contested and shall not be deemed an admission by any Settling Party as to the merits of any claim  
 26 or defense. Neither this Order, the Term Sheet, the Stipulation (whether or not consummated),  
 27

## Exhibit A

including the exhibits thereto and the Plan of Allocation contained therein (or any other plan of allocation that may be approved by the Court), the negotiations leading to the execution of the Term Sheet and the Stipulation, nor any proceedings taken pursuant to or in connection with the Term Sheet, the Stipulation and/or approval of the settlement (including any agreements proffered in connection therewith): (a) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any claim that was or could have been asserted or the deficiency of any defense that has been or could have been asserted in this Action or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of the Defendants or their respective related Parties, or that Federal Lead Plaintiff or State Plaintiff or any Settlement Class Members have suffered any damages, harm, or loss; (b) is or may be deemed to be or may be used as an admission of, or evidence of, the appropriateness of treating the Litigations as a class action for any other purpose than the settlement; (c) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any of the Defendants or their respective Related Parties in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; (d) is or may be deemed to be or may be used as an admission, or evidence, that any of the Plaintiffs' claims are without merit, that any of the Defendants had meritorious defenses, or that recoverable damages would not have exceeded the Settlement Amount, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; provided, however, that if the Stipulation is approved by the Court, the Settling Parties and the Releasees and their respective counsel may refer to it to effectuate the protections from liability granted thereunder or otherwise to enforce the terms of the settlement.

26. **Supporting Papers** – Federal Lead Counsel shall file and serve the opening papers

Exhibit A

1 of the proposed settlement, the Plan of Allocation, and Federal and State Lead Counsel's motion  
2 for an award of attorneys' fees and expenses no later than 30 calendar days prior to the Settlement  
3 Hearing; and reply papers, if any, shall be filed and served no later than 7 calendar days prior to  
4 the Settlement Hearing.

5  
6 27. The Court reserves the right to adjourn the date of the Settlement Hearing without  
7 further notice to Settlement Class Members.

8 28. The Court retains jurisdiction to consider all further applications arising out of or  
9 connected with the proposed settlement.

10 IT IS SO ORDERED:

11 DATED: \_\_\_\_\_  
12  
13

14 \_\_\_\_\_  
15 The Honorable Richard G. Seeborg  
16 United States District Judge  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

Exhibit A

Submitted by,

**BLOCK & LEVITON LLP**

/s/ Jacob A. Walker

Jeffrey C. Block, *pro hac vice*  
Jacob A. Walker (SBN 271217)  
260 Franklin Street, Suite 1860  
Boston, MA 02110  
(617) 398-5600 (phone)  
(617) 507-6020 (fax)  
joel@blockesq.com  
jake@blockesq.com

*Counsel to Lead Plaintiff Trigon Trading Pty.  
Ltd.*

Exhibit A-1

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA**

***In re Tezos Securities Litigation***

Case No. 17-cv-06779-RS

Class Action

**Notice of:**

- (1) Pendency of Class Action and Proposed Settlement;**
- (2) Settlement Fairness Hearing; and**
- (3) Motion for an Award of Attorneys' Fees and Litigation Expenses**

***The Federal Court has authorized this Notice.  
This is not a solicitation from a lawyer.***

**Please read this notice carefully.**

This Notice explains important rights you may have, including the possible receipt of cash from the Settlement.

If you are a member of the Settlement Class, your legal rights will be affected whether or not you act.

**Notice of Pendency of Class Action**

Please be advised that your rights may be affected by the above-captioned securities class action (the "Action")<sup>1</sup> pending in the United States District Court for the Northern District of California (the "Court"), if, during the period between July 1, 2017 and July 13, 2017, inclusive (the "Settlement Class Period"), you directly or through an intermediary, contributed bitcoin and/or ether in what the defendants describe as a fundraiser and what the plaintiffs describe as an initial coin offering or ICO conducted by the Tezos Foundation.

**Notice of Proposed Class Action Settlement**

Please also be advised that Federal Lead Plaintiff Trigon Trading Party Ltd. ("Federal Lead Plaintiff") and State Plaintiff Andrew Baker ("State Plaintiff"), on behalf of themselves and the Settlement Class (as defined on page \_\_ below), have reached a proposed settlement of the Litigations for \$25,000,000 in cash that, if approved, will resolve all claims in the Litigations (the "Settlement").

---

<sup>1</sup> Capitalized terms used in this Notice that are not otherwise defined herein shall have the meaning ascribed to them in the Stipulation and Agreement of Settlement dated March 16, 2020 (the "Stipulation"), available at <https://www.TezosFoundationSettlement.com>.

### Important Dates

[DATE]	<p><b>To receive a payment under the Proposed Settlement</b></p> <p>If you are a Settlement Class Member, you must submit a Claim Form through <a href="https://www.TezosFoundationSettlement.com">https://www.TezosFoundationSettlement.com</a> or through the mail with a postmark no later than [DATE]. If you are a Settlement Class Member and do not submit a proper Claim Form, you will not be eligible to share in the distribution of the net proceeds of the Settlement, but you will nevertheless be bound by any judgments or orders entered by the Court in the Action.</p>
[DATE]	<p><b>To exclude yourself from the Proposed Settlement</b></p> <p>If you are a member of the Settlement Class, you may exclude yourself by submitting a request for exclusion such that it is received no later than [DATE] in accordance with the instructions set forth in the Notice. If you properly exclude yourself from the Settlement Class, you will not be bound by any judgments or orders entered by the Court in the Action and will not be eligible to share in the proceeds of the Settlement.</p>
[DATE]	<p><b>To object to the Proposed Settlement, the Plan of Allocation, or Federal and State Lead Counsel’s Motion for Attorneys’ Fees and Expenses</b></p> <p>Any objections to the Proposed Settlement, the proposed Plan of Allocation, or to Federal and State Lead Counsel’s Motion for Attorneys’ Fees and Expenses must be filed with the Court and delivered to Federal and State Lead Counsel and Defendants’ Counsel such that they are <i>received</i> no later than [DATE] in accordance with the instructions set forth in the Notice.</p>

### Description of the Litigations and the Settlement Class

This Notice relates to a proposed Settlement of claims in pending securities class actions in California federal and state courts alleging, among other things, that defendants Tezos Foundation (also referred to herein as the “Foundation”), Dynamic Ledger Solutions, Inc. (“DLS”), Arthur Breitman, and Kathleen Breitman, (collectively, the “Defendants”) violated federal securities laws by offering and selling Tezos tokens without filing a registration statement with the United States Securities and Exchange Commission (“SEC”) in violation of the Securities Act of 1933 (the “1933 Act”). A more detailed description of the Litigations is set forth at pages \_\_\_\_ below. The proposed Settlement, if approved by the Court, will settle claims of the Settlement Class, as defined on page \_ below.

### Statement of the Settlement Class’ recovery

Subject to Court approval, Defendants and Federal Lead Plaintiff and State Plaintiff, on behalf of themselves and the Settlement Class, have agreed to settle the Litigations in exchange for a settlement payment of \$25,000,000 in cash (the “Settlement Amount”) to be deposited into an

escrow account. The Net Settlement Fund (*i.e.*, the Settlement Amount plus all interest and accretions thereto (the “Settlement Fund”) less (a) any attorneys’ fees and expenses approved by the Court, (b) any Notice and Administration Expenses, (c) any Taxes and Tax Expenses, and (d) any other Court-approved deductions) will be distributed in accordance with a plan of allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Settlement Class. The proposed plan of allocation (the “Plan of Allocation”) is set forth on [ \_ - \_ ] below.

### **Average amount of damages per Tez**

As explained above, the parties do not agree on the average amount of damages per genesis block XTZ that would be recoverable if the Federal Plaintiffs were to prevail in the Action. Among other things, Defendants do not agree with the assertion that they violated the federal securities laws or that any damages were suffered by any members of the Settlement Class as a result of their conduct.

### **Estimate of average amount of recovery per Tez**

Good faith estimates of damages in this case vary significantly, and are dependent on a number of factors, including, but not limited to, (1) the price of Bitcoin (“BTC”), Ethereum (“ETH”), and Tez (“XTZ”) at the time that a class member sold or transferred XTZ allocated to him or her from the genesis block proposed by the Tezos Foundation (which cannot be definitively determined from the public blockchain); (2) the number of Tez which have gone unclaimed because of lost passwords or a refusal to participate in Know Your Customer processes, versus those that are unclaimed by choice (for example, for security reasons); and (3) the appropriate measure of damages (for example, calculating damages in Bitcoin, Ethereum, US Dollars, some combination of the three, or otherwise). Estimates presented by the parties during mediation discussions of total damages if Defendants were to be found liable ranged from less than \$1 million to over \$150 million US Dollars. As a result, the estimated range of recovery for Settlement Class Members is between 16% of their estimated damages to significantly more than their estimated damages (before deducting any Court-approved fees, expenses, and costs as described herein) depending on various factors unknown to the parties at this time. Distributions to the Settlement Class will be made based on the Plan of Allocation set forth herein (see pages \_\_\_\_ below), or such other plan of allocation that may be ordered by the Court.

### **Attorneys’ fees and expenses sought**

Federal and State Lead Counsel, who have been prosecuting the Litigations on a wholly contingent basis since their inception in 2017, have not received any payment of attorneys’ fees for their representation of the Settlement Class and have advanced the funds to pay expenses necessarily incurred to prosecute the Litigations. Federal and State Lead Counsel will apply to the Court for an award of attorneys’ fees for all Plaintiffs’ Counsel in an amount not to exceed one-third of the Settlement Fund. In addition, Federal and State Lead Counsel will apply for an award of expenses incurred in connection with prosecuting the Litigations in an amount not to exceed \$300,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Federal Plaintiffs and State Plaintiff directly related to their representation of the Settlement Class.

Any fees and expenses awarded by the Court, or any Federal Plaintiff or State Plaintiff award, shall be paid solely from the Settlement Fund and shall be paid to Federal and State Lead Counsel, or with respect to a Federal Plaintiff or State Plaintiff award, paid to Federal Plaintiffs and State Plaintiff, within five days following an award ordered by the court, provided there has been a final approval of the Stipulation of Settlement by the Court not subject to further review. If there is any appeal of an award of attorneys' fees and expenses, or of a Federal Plaintiff or State Plaintiff award, Federal and State Lead Counsel shall repay any amount of attorneys' fees or expenses reversed on appeal to the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

### **Identification of attorneys' representatives**

You can reach counsel for Federal Lead Plaintiff and the Settlement Class through attorney Jacob A. Walker, Block & Leviton LLP, 260 Franklin Street, Suite 1860, Boston, MA 02110, (617) 398-5600, [tezos-settlement@blockesq.com](mailto:tezos-settlement@blockesq.com).

### **Reasons for the Settlement**

Federal Lead Plaintiff and State Plaintiff's principal reason for entering into the Settlement is the substantial immediate cash benefit for the Settlement Class without the risk or the delays inherent in further litigation. Federal Lead Plaintiff and State Plaintiff recognize the expense and time it would take to prosecute the Litigations against Defendants through trial and through any subsequent appeals. Likewise, Federal Lead Plaintiff and State Plaintiff have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as the Litigations, as well as the difficulties and delays inherent in such litigation. Defendants, who deny all allegations of wrongdoing or liability whatsoever, are entering into the Settlement to eliminate the uncertainty, burden and expense of further protracted litigation.

**[CLAIMS ADMINISTRATOR TO INSERT HYPERLINKED TABLE OF CONTENTS  
ON WEB VERSION AND TABLE OF CONTENTS ON PRINTED VERSION OF  
NOTICE]**

**Frequently Asked Questions**

**Why did I get this electronic notice?**

The Court directed that the Electronic Notice be e-mailed to you because you may have, directly or through an intermediary, contributed bitcoin and/or ether to what the defendants describe as a fundraiser and what the plaintiffs describe as an initial coin offering conducted by the Foundation during the Settlement Class Period. The Court also directed that this Notice be posted online at [www.TezosFoundationSettlement.com](http://www.TezosFoundationSettlement.com) and mailed at the request of Settlement Class Members. The Court has directed us to disseminate these notices because, as a potential Settlement Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how the proposed Settlement may generally affect your legal rights. If the Court approves the Settlement, and the Plan of Allocation (or some other plan of allocation), the Claims Administrator selected by Federal Lead Plaintiff and approved by the Court will make payments pursuant to the Settlement after any objections and appeals are resolved.

The purpose of this Notice is to inform you of the existence of the Litigations, that they are class actions, how you might be affected, and how to exclude yourself from the Settlement Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation and the motion by Federal and State Lead Counsel for an award of attorneys' fees and expenses (the "Settlement Hearing"). See page \_\_ below for details about the Settlement Hearing, including the date and location of the hearing.

The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Litigations, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

**What are the litigations about?**

**The Federal Litigation**

The Federal Litigation is a consolidated putative securities class action brought in the United States District Court for the Northern District of California by Federal Lead Plaintiffs individually and on behalf of all persons or entities who contributed digital currencies, including Bitcoin and/or Ethereum, to what the defendants describe as a fundraiser and what the plaintiffs describe as an initial coin offering conducted by the Foundation in July 2017.

The initial complaint in the Federal Litigation alleged claims under the 1933 Act and was filed against Defendants DLS, Arthur Breitman, Kathleen Breitman (together, the "DLS Defendants") and the Tezos Foundation on November 26, 2017, styled *GGCC, LLC v. Dynamic Ledger*

*Solutions, Inc.*, Case No. 3:17-cv-06779-RS. ECF No. 1. The Federal Litigation was assigned to United States District Judge Richard Seeborg on November 27, 2017.

On March 16, 2018, the Court appointed Arman Anvari (“Anvari”) as lead plaintiff and LTL Attorneys LLP (“LTL”) and Hung G. Ta, Esq. PLLC (“HGT Law”) as lead counsel. ECF No. 96. Also on that date, the Court consolidated related actions and restyled the Federal Litigation *In re Tezos Securities Litigation*, Case No. 3:17-cv-06779-RS.

Anvari filed the Consolidated Complaint for Violation of the Federal Securities Laws on April 3, 2018. ECF No. 108. The complaint alleged violations of §§ 5 and 12(a)(1) of the 1933 Act against the DLS Defendants, the Foundation, Bitcoin Suisse AG (“Bitcoin Suisse”), Timothy Draper (“Draper”), and Draper Associates V Crypto LLC (“Draper Associates”) (Draper and Draper Associates referred to as the “Draper Defendants”), and § 15 of the 1933 Act against the DLS Defendants and the Draper Defendants. Anvari asserted that Defendants offered and sold Tezos tokens without filing a registration statement with the United States Securities and Exchange Commission (“SEC”) in violation of the 1933 Act.

Following briefing on Defendants’ motions to dismiss and oral argument, on August 7, 2018, the Court denied the motion to dismiss as to the claims against the DLS Defendants and the Tezos Foundation, but granted the motion to dismiss filed by Bitcoin Suisse and the Draper Defendants. ECF No. 148. The Court granted Anvari leave to amend with respect to the Draper Defendants, but dismissed the claims against Bitcoin Suisse with prejudice. *Id.*

Anvari elected not to amend the complaint, and the Draper Defendants were dismissed from the Federal Litigation with prejudice on August 31, 2018. ECF No. 163.

The parties thereafter engaged in document and deposition discovery.

On December 14, 2018, Anvari and Defendants engaged in an in-person mediation before Professor Eric D. Green. The mediation was preceded by submission of mediation statements and exhibits by each party. Settlement discussions were unsuccessful.

On January 9, 2019, named plaintiffs Artiom Frunze (“Frunze”) and Pumaro LLC (“Pumaro”) moved to certify a class, to appoint Frunze and Pumaro as the class representatives, and to appoint LTL and HGT Law as class counsel. ECF No. 187-3. Plaintiffs’ motion sought to certify the following class:

All persons and entities who, directly or indirectly, contributed Bitcoin or Ethereum to the Tezos Initial Coin Offering conducted in July 2017. Excluded from the Class are Defendants, and any person, firm, trust, corporation, or other entity related to or affiliated with any Defendant.

*Id.* On January 25, 2019, Anvari moved to withdraw and substitute named plaintiff Frunze as lead plaintiff. ECF No. 196. Trigon filed a competing motion to appoint itself as lead plaintiff on January 30, 2019. ECF No. 198.

On April 8, 2019, the Court granted Anvari’s motion to withdraw as lead plaintiff, granted Trigon’s motion to substitute as lead plaintiff, denied the pending class certification motion with

leave to amend, and appointed Block & Leviton LLP and HGT Law as co-lead counsel. ECF No. 213.

Between August 2018 and December 2019, written discovery was exchanged by the parties, subpoenas were served on non-parties, and several discovery motions were litigated. Several Federal Plaintiffs were deposed. ECF Nos. 219, 222, 223, 231, 232, 233, 234, 235, 236, 237, 238.

### **The State Litigation**

On October 25, 2017, plaintiff Andrew Baker (“Baker”) filed the first class action complaint asserting securities laws violations in connection with what the defendants describe as a fundraiser and what the plaintiffs describe as an initial coin offering conducted by the Foundation, in the Superior Court of California, County of San Francisco (the “State Litigation”). The State Litigation alleged that the DLS Defendants, the Tezos Foundation, Johann Gevers (“Gevers”) and Strange Brew Strategies (“Strange Brew”) had violated §§ 5(a), 5(c), 17(a)(1), 17(a)(2), and 17(a)(3) of the 1933 Act related to the sale of unregistered securities.

On November 29, 2017, Defendants removed the State Litigation to the United States District Court for the Northern District of California, where it was assigned to the Honorable Richard Seeborg. Baker moved to remand the case to California state court. On February 1, 2018, Judge Seeborg stayed the State Litigation pending the Supreme Court’s decision in *Cyan, Inc. v. Beaver County Employees Retirement Fund, et al.*, Case No. 15-1439 (*Baker v. Dynamic Ledger Solutions, Inc., et al.*, Case No. 17-cv-6850, Dkt. No. 18), which presented the question of whether state courts had concurrent jurisdiction over certain class actions filed under the 1933 Act.

On March 20, 2018, the Supreme Court issued its opinion in *Cyan, Inc. v. Beaver County Employees Retirement Fund*, 138 S.Ct. 1061 (2018), and the Court thereafter remanded the State Litigation to state court on April 19, 2018.

On June 22, 2018, Baker filed his First Amended Complaint (“FAC”) in the State Litigation, alleging that beginning in July 2017, the DLS Defendants, the Foundation, Gevers, the Draper Defendants, Strange Brew, and Bitcoin Suisse (collectively, “State Court Defendants”) engaged in an unregistered public sale of securities. The FAC alleged two causes of action: (1) violation of §§5 and 12(a)(1) of the 1933 Act against all State Court Defendants; and (2) violations of § 15 of the 1933 Act against the DLS Defendants, the Draper Defendants and Gevers (the “Control Person Defendants”).

On May 16, 2019, following document productions by DLS, Baker filed his Second Amended Complaint (“SAC”). The SAC asserted the same two causes of action as the FAC, but added additional factual allegations based on document discovery obtained from DLS. The SAC did not name Strange Brew as a defendant.

On June 10, 2019, the DLS and Draper Defendants filed demurrers to the SAC. On July 24, 2019, the Foundation and Gevers filed motions to quash service of summons.

During 2019, the DLS Defendants continued to provide additional documentary discovery to Baker.

On August 28, 2019, the State Court granted the Tezos Foundation's motion to quash service of summons and the Draper Defendants' demurrer. With respect to the Draper Defendants' demurrer, Baker was granted leave to amend, and on September 17, 2019, he filed his Third Amended Complaint ("TAC") as to the Draper Defendants. Baker filed a Motion for Reconsideration of the Order granting the Tezos Foundation's motion to quash on September 9, 2019. On September 24, 2019, the State Court also granted Gevers' motion to quash service of summons. On October 9, 2019, the Draper Defendants demurred to the TAC. A hearing on these motions has not taken place and no order has issued.

### **Mediation and Settlement**

On November 22, 2019, Federal and State Lead Counsel engaged in an in-person mediation conference with Defendants before the Honorable Layn Phillips (Ret.) of Phillips ADR Enterprises, P.C. The parties submitted and exchanged both opening mediation statements and reply statements, along with supporting exhibits. The parties also conducted pre-mediation teleconferences with representatives of Phillips ADR Enterprises, P.C. The parties then engaged in arm's-length negotiations during the mediation session. At the end of the conference, Judge Phillips facilitated a settlement between Federal and State Lead Counsel and counsel for the Tezos Foundation and the DLS Defendants that was documented in a binding term sheet. Thereafter, all parties reached an agreement-in-principle to resolve the Litigations on the terms set forth in the Stipulation, subject to approval by the Court.

On \_\_\_\_\_, 2020, the Court preliminarily approved the Settlement, authorized the Electronic Notice to be e-mailed to potential Settlement Class Members and this Notice to be posted online, as well as approved the dissemination of other forms of notice, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

### **How do I know if I am affected by the Settlement?**

#### **Who is included in the Settlement Class?**

If you are a member of the Settlement Class, you are subject to the Settlement, unless you timely request to be excluded. The Settlement Class consists of:

All persons and entities who, directly or through an intermediary, contributed Bitcoin and/or Ethereum to what the defendants describe as a fundraiser and what the plaintiffs describe as an initial coin offering conducted by the Foundation between July 1, 2017 and July 13, 2017, inclusive.

Excluded from the Settlement Class are (i) Defendants; (ii) members of the immediate family of Arthur Breitman, Kathleen Breitman, Johann Gevers, or Timothy Draper; (iii) any person who was an officer or director of the Foundation, DLS, Draper Associates, or Bitcoin Suisse during the Fundraiser/ICO and any members of their immediate families; (iv) any parent, subsidiary, or affiliate of the Foundation, DLS, Draper Associates, or Bitcoin Suisse; (v) any firm, trust, corporation, or other entity in which any Defendant or any other excluded person or entity had a

controlling interest during the Fundraiser/ICO; and (vi) the legal representatives, agents, affiliates, heirs, successors-in-interest, or assigns of any such excluded persons or entities. Also excluded from the Settlement Class are those Persons who timely and validly request exclusion. See “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself,” on page \_\_ below.

PLEASE NOTE: RECEIPT OF THE ELECTRONIC NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT.

If you are a Settlement Class Member and you wish to be eligible to participate in the distribution of proceeds from the Settlement, you are required to submit the Proof of Claim and Release form that is available online at [www.TezosFoundationSettlement.com](http://www.TezosFoundationSettlement.com) or which can be mailed to you upon request to the Claims Administrator, and the required supporting documentation as set forth therein, postmarked no later than \_\_\_\_\_, 2020.

### **What are Plaintiffs’ reasons for the Settlement?**

Federal Lead Plaintiff and State Plaintiff and Federal and State Lead Counsel believe that the claims asserted against Defendants have merit. They recognize, however, the expense and time it would take to prosecute the Litigations against Defendants through trial and through any subsequent appeals. Likewise, they have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as the Litigations, as well as the difficulties and delays inherent in such litigation.

In addition to the risks inherent in this type of litigation generally, these Litigations included additional risks which reduced the likelihood that Plaintiffs could succeed in recovering any or all damages alleged in the Litigations. Among those risks were (1) the risk that a class could not be certified; (2) the risk that damages could not be collected from the Tezos Foundation, which is located in Switzerland; (3) the risks associated with litigating a case concerning cryptocurrency, which is a new and quickly developing field of law; (4) the risk that the Court would ultimately conclude that Tez were not securities; (5) the risks associated with the fluctuating prices of Bitcoin, Ethereum, and Tez, which could have the effect of reducing or eliminating any measure of damages.

In light of these risks, the amount of the Settlement and the immediacy of recovery to the Settlement Class, Federal Lead Plaintiff and State Plaintiff and Federal and State Lead Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Settlement Class. They believe that the Settlement provides a substantial benefit to the Settlement Class, namely \$25,000,000 in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Action would produce a smaller, or no recovery after class certification, summary judgment, trial and appeals, possibly years in the future.

Defendants have denied the claims asserted against them in the Litigations and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. Defendants have agreed

to the Settlement to eliminate the burden and expense of continued litigation. Accordingly, the Settlement may not be construed as an admission of any wrongdoing by Defendants.

### **What might happen if there were no Settlement?**

If there were no Settlement and Federal Lead Plaintiff failed to establish any essential legal or factual element of their claims against Defendants, neither Federal Lead Plaintiff nor the other members of the Settlement Class would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, either at class certification, at summary judgment, at trial or on appeal, the Settlement Class could recover substantially less than the amount provided in the Settlement, or nothing at all.

### **How are Settlement Class Members affected by the Litigations and the Settlement?**

As a Settlement Class Member, you are represented by Federal Lead Plaintiff and Federal Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” on pages [ - ] below.

If you are a Settlement Class Member and do not wish to remain a Settlement Class Member, you may exclude yourself from the Settlement Class by following the instructions in the section entitled, “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?,” on page [ ] below.

If you are a Settlement Class Member and you wish to object to the Settlement, the Plan of Allocation, or Federal and State Lead Counsel’s application for an award of attorneys’ fees and Litigation Expenses, and if you do not exclude yourself from the Settlement Class, you may present your objections by following the instructions in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” on page [ ] below.

If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Federal Lead Plaintiff and State Plaintiff and each of the other Settlement Class Members, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such, will have fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Claim (as defined on page [ ] below) against the Released Defendants (as defined on page [ ] below), and shall forever be barred and enjoined from prosecuting any or all of the Released Claims against any of the Released Defendants.

“Released Claims” means any and all claims, demands, rights, causes of action, and liabilities of every nature and description (including Unknown Claims as defined herein), whether known or unknown, contingent or absolute, liquidated or not liquidated, accrued or unaccrued, suspected or unsuspected, disclosed or undisclosed, apparent or not apparent, foreseen or unforeseen, matured

or not matured, which now exist, heretofore or previously existed, or may hereafter exist, including but not limited to, any claims arising under federal, state, common, or foreign law, that Plaintiffs or any other member of the Settlement Class asserted in the Consolidated Complaint for Violations of the Federal Securities Laws filed in the Federal Action on April 3, 2018, as amended, or the Second Amended Complaint filed in the State Action, on May 16, 2019, or could have asserted in either the Federal Action or the State Action or could in the future assert in any forum that concern, arise out of, refer to, are based upon, or are related in any manner to the allegations, transactions, facts, matters, occurrences, representations, statements, or omissions alleged, involved, set forth, or referred to in any of the Litigations. Notwithstanding the foregoing, “Released Claims” does not include claims relating to the enforcement of the Settlement, nor does this release cover, include, or release any claims by any governmental entity that arise out of any governmental investigation of Defendants relating to the conduct alleged in the Action.

“Released Defendants” means each and all of the Defendants (*i.e.*, DLS, Arthur Breitman, Kathleen Breitman, and the Foundation) and each of their Related Parties, as well as Johann Gevers, Timothy Draper, Draper Associates, and Bitcoin Suisse.

“Unknown Claims” means (i) any Released Claims that Releasing Plaintiffs and Settlement Class Members do not know or suspect to exist in his, her or its favor at the time of the release, which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Defendants, or might have affected his, her or its decision not to object to this settlement or seek exclusion from this settlement, and (ii) any Releasing Defendants’ Claims that Defendants do not know or suspect to exist in his, her or its favor at the time of the release, which, if known by him, her, or it, might have affected his, her or its settlement with and release of the Released Plaintiffs and Settlement Class Members. With respect to any and all Released Claims and Releasing Defendants’ Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Federal Lead Plaintiff and State Plaintiff shall expressly waive and each of the Settlement Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived the provisions, rights, and benefits of California Civil Code §1542 and any law of the United States, or any state or territory thereof, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Releasing Plaintiffs and Settlement Class Members may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but Federal Lead Plaintiff and State Plaintiff shall fully, finally, and forever settle and release and each Settlement Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, disclosed or undisclosed, matured or unmatured, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any

theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Federal Lead Plaintiff and State Plaintiff acknowledge, and the Settlement Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement of which this release is a part.

The Judgment will also provide that, upon the Effective Date, each of the Defendants shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Releasing Defendants' Claims (including Unknown Claims) against Released Plaintiffs and Settlement Class Members, and Federal and State Lead Counsel, whether arising under federal, state, common or foreign law. Upon the Effective Date, the Defendants will be forever barred and enjoined from commencing, instituting, prosecuting or continuing to prosecute any action or other proceeding in any court of law or equity, arbitration tribunal, or administrative forum, asserting the Releasing Defendants' Claims against any of the Released Plaintiffs and Settlement Class Members, and Federal and State Lead Counsel. Defendants are aware of the California Civil Code §1542 and expressly waive and relinquish any rights or benefits available to them under this statute.

"Releasing Defendants' Claims" means all claims and causes of action of every nature and description, whether known or unknown, whether arising under federal, state, common or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the Litigations or the Released Claims against the Defendants. Notwithstanding the foregoing, "Releasing Defendants' Claims" does not include claims relating to the enforcement of the Settlement.

"Releasing Plaintiffs and Settlement Class Members" means Federal Plaintiffs, State Plaintiff, each Settlement Class Member, and to the fullest extent permissible under law, each of their Related Parties.

#### **How do I participate in the Settlement? What do I need to do?**

To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Settlement Class and you must timely complete and return the Proof of Claim and Release form with adequate supporting documentation **postmarked no later than \_\_\_\_\_, 2020**. A Proof of Claim and Release form is available on the website maintained by the Claims Administrator for the Settlement, [www.TezosFoundationSettlement.com](http://www.TezosFoundationSettlement.com), or you may request that a Proof of Claim and Release form be mailed to you by calling the Claims Administrator toll free at 1-866-977-1042 or 1-503-597-7670. Please retain all records of your contribution to the Tezos Fundraiser/ICO and any sales of allocated XTZ, as they may be needed to document your Claim. If you request exclusion from the Settlement Class or do not submit a timely and valid Proof of Claim and Release form, you will not be eligible to share in the Net Settlement Fund.

### **How much will my payment be?**

At this time, it is not possible to make any determination as to how much any individual Settlement Class Member may receive from the Settlement.

Pursuant to the Settlement, Defendants have agreed to pay or caused to be paid twenty five million dollars (\$25,000,000) in cash. The Settlement Amount will be deposited into an escrow account. The Settlement Amount plus any interest earned thereon is referred to as the “Settlement Fund.” If the Settlement is approved by the Court and the Effective Date occurs, the “Net Settlement Fund” (that is, the Settlement Fund less (a) all federal, state and/or local taxes on any income earned by the Settlement Fund and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing notice to Settlement Class Members and administering the Settlement on behalf of Settlement Class Members; and (c) any attorneys’ fees and expenses awarded by the Court) will be distributed to Settlement Class Members who submit valid Proof of Claim and Release forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, has expired.

Neither Defendants nor any other person or entity that paid any portion of the Settlement Amount on their behalf are entitled to get back any portion of the Settlement Fund once the Court’s order or judgment approving the Settlement becomes Final. Defendants shall not have any liability, obligation or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund or the plan of allocation.

Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Proof of Claim and Release form on or before \_\_\_\_\_, 2020 shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the releases given. This means that each Settlement Class Member releases the Released Claims (as defined on pages \_\_\_ above) against the Released Defendants (as defined on pages \_\_\_ above) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Claims against any of the Released Defendants whether or not such Settlement Class Member submits a Proof of Claim and Release form.

The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Settlement Class Member.

Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Proof of Claim and Release form.

Only Settlement Class Members will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities who are excluded from the Settlement Class by definition or who exclude themselves from the Settlement Class pursuant to request will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Proof of Claim and Release forms.

### **What is the proposed Plan of Allocation?**

1. The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund to Settlement Class Members. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

2. “Recognized Loss Amounts” (as described below in paragraphs 4-5) are based on the difference in the value of (1) contributions made to what Plaintiffs describe as the Tezos blockchain “Initial Coin Offering” and what Defendants describe as a fundraiser conducted in July 2017 (the “July 2017 Tezos Contributions”) and (2) the corresponding genesis block XTZ at the time of sale or, if the XTZ were not sold, at the time the parties entered into a settlement, as set forth in greater detail below. For individuals who have never claimed, activated, used, delegated, sold or transferred (“accessed”) their tokens, Recognized Loss Amounts are based on the value of the July 2017 Tezos Contributions. Accordingly, in order to have a Recognized Loss Amount under the Plan of Allocation, a Settlement Class Member must provide both (1) proof of their contribution, and (2) proof of either (a) their sale of XTZ, (b) their current possession of XTZ allocated to them in the Tezos genesis block, or (c) the fact the Settlement Class Member has not accessed the XTZ tokens allocated to such member in the Tezos genesis block as described in paragraph 7, below.

3. Unless otherwise defined, all terms used herein have the same meanings as set forth in the Stipulation of Settlement dated March 16, 2020 (the “Stipulation”), which, together with the Exhibits annexed thereto, sets forth the terms and conditions for a proposed settlement of the Federal Litigation and for dismissal of the Federal Litigation and the State Litigation with prejudice upon the terms and conditions set forth therein.

### **CALCULATION OF RECOGNIZED LOSS AMOUNTS**

4. Based on the formula stated below, a Recognized Loss Amount will be calculated for each allocation of genesis block XTZ listed on the Claim Form for which adequate documentation is provided. If a Recognized Loss Amount calculates to a negative number or zero under the formula below, the Recognized Loss Amount will be zero.

5. For each genesis block XTZ allocated to a Settlement Class Member for a contribution made during the period from July 1, 2017 through and including the close of trading on July 13, 2017, and:

- (i) Sold from July 14, 2017 through and including 6:31 a.m. PST on November 25, 2019, the Recognized Loss Amount will be the contribution amount in Bitcoin per Tez, minus the price at which the genesis block XTZ was sold in Bitcoin per Tez. If the genesis block XTZ was purchased in Ether, it will be converted to Bitcoin per Tez using the exchange prices listed in Table 1 on the date of the purchase.
- (ii) Held as of 6:32 a.m. PST on November 25, 2019, the time at which a settlement in principle was reached, the Recognized Loss Amount will be the contribution amount in Bitcoin per Tez, minus the price of XTZ at 6:32 a.m. PST on November 25, 2019, 0.000178 BTC/XTZ. If the genesis block XTZ was purchased in Ether, it will be converted to Bitcoin per Tez using the exchange prices listed in Table 1 on the date of the purchase. In no event shall the recognized loss per Tez held be less than 0.00001 BTC.
- (iii) Have not been accessed, the Recognized Loss Amount will be equal to the contribution amount in Bitcoin per Tez. If the genesis block XTZ was purchased in Ether, it will be converted to Bitcoin per Tez using the exchange prices listed in Table 1 on the date of the purchase.

### **ADDITIONAL PROVISIONS**

**6. Sales of Genesis Block XTZ Not Executed in Bitcoin:** In the case of sales executed in a currency other than BTC, the sale price in BTC will be used. **Table 1** provides the closing price in BTC/XTZ, ETH/XTZ, and ETH/BTC for conversion purposes.

**7. Claimants Who Have Not Accessed XTZ:** A claimant who seeks to submit a claim under paragraph 5(iii) must submit a valid claim form and sign a declaration under penalty of perjury in which the claimant (a) represents that he, she or it has not accessed, and does not intend to access, the XTZ at issue, either due to a lost private key or password or due to an objection to providing “Know Your Customer” information to the Foundation, and that no other entity has or has ever had access to their private key or password; (b) agrees (i) to destroy all copies of the private key for the XTZ at issue, and (ii) to never access the XTZ at issue; (c) acknowledges that he, she or it forfeits any rights to the XTZ at issue and understands that the Tezos community may vote to destroy such tokens; (d) agrees that, if the claimant subsequently accesses the XTZ at issue in violation of his, her or its agreement not to do so, the claimant shall be liable to the Foundation for damages in the amount of the USD value of the XTZ at the time of such access, plus any amounts expended by the Foundation in seeking to enforce this provision, including without limitation attorneys’ fees, court costs, and other expenses, all plus interest, to the maximum extent permitted by law; and (e) consents to the jurisdiction of the courts of California (for U.S. residents) or Switzerland (for non-U.S. residents) with respect to any dispute regarding this provision. The Tezos Foundation will monitor the accounts of claimants under paragraph 5(iii) and, in the event of a violation of this provision, has and reserves all rights to pursue legal claims against the claimant.

**8. Calculation of Claimant’s “Recognized Claim”:** A claimant’s “Recognized Claim” will be the sum of his, her, or its Recognized Loss Amounts as calculated above with respect to genesis block XTZ allocated to a Settlement Class Member in connection with any and all July 2017 Tezos Contributions.

**9. Conversion of Claimant's "Recognized Claim" to USD:** Recognized Loss Amounts are calculated in terms of Bitcoin per Tez. Bitcoin losses will then be converted to USD using the conversion price at 6:32 a.m. PST on November 25, 2019, the time at which a settlement in principle was reached. At that time, the price of Bitcoin was \$7,242.58.

**10. Determination of Distribution Amount:** Each Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Settlement Fund. The *pro rata* share will be the Authorized Claimant's Recognized Claim divided by the total of Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

11. If an Authorized Claimant's Distribution Amount calculates to less than \$10.00, no distribution will be made to that Authorized Claimant.

12. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the Net Settlement Fund a reasonable time after the initial distribution, and if Federal Lead Counsel, in consultation with the Claims Administrator, determine that it is cost-effective to do so, the Claims Administrator will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Federal Lead Counsel, in consultation with the Claims Administrator, determine that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance will be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s), to be recommended by Federal Lead Counsel and approved by the Court.

Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, will be conclusive against all Authorized Claimants. No person shall have any claim against Federal Plaintiffs, Federal Lead Counsel, State Plaintiff, State Lead Counsel, Released Defendants, Claims Administrator or any of their respective counsel, damages experts, consulting experts, or other agent arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Court. Among other things, Federal Plaintiffs, State Plaintiff, Released Defendants, and their respective counsel shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund; the plan of allocation; the determination, administration, calculation, or payment of any claim or nonperformance of the Claims Administrator; the payment or withholding of Taxes; or any losses incurred in connection therewith.

13. The Plan of Allocation stated herein is the plan that is being proposed to the Court for its approval by Federal Plaintiffs and State Plaintiff after consultation with their damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the case website, [www.TezosFoundationSettlement.com](http://www.TezosFoundationSettlement.com).

**What payment are the attorneys for the Settlement Class seeking?**

**How will the lawyers be paid?**

Federal and State Lead Counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Settlement Class, nor have Federal and State Lead Counsel been paid for their Litigation Expenses. Before final approval of the Settlement, Federal and State Lead Counsel will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in an amount not to exceed one-third of the Settlement Fund. At the same time, Federal and State Lead Counsel also intend to apply for an award of Litigation Expenses in an amount not to exceed \$300,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Federal Plaintiffs and State Plaintiff directly related to their representation of the Settlement Class. The Court will determine the amount of any award of attorneys' fees and Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

**What if I do not want to be a member of the Settlement Class?**

**How do I exclude myself?**

Each Settlement Class Member will be bound by all determinations and judgments in the Litigations, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Settlement Class, addressed to *In re Tezos Securities Litigation*, EXCLUSIONS, c/o Epiq, P.O. Box 3770, Portland, OR 97208-3770. The exclusion request must be **received** no later than \_\_\_\_\_, 202\_\_\_. You will not be able to exclude yourself from the Settlement Class after that date.

Each Request for Exclusion must state: (i) the name, address and telephone number of the person or entity requesting exclusion, and in the case of entities the name and telephone number of the appropriate contact person; (ii) state that such person or entity "requests exclusion from the Settlement Class in *In re Tezos Securities Litigation*, No. 3:17-cv-06779-RS"; (iii) state the date and amount of Bitcoin or Ethereum contributed to the Tezos Foundation in July 2017, the number of Tezos tokens (*i.e.*, Tez or XTZ) allocated to such person or entity in connection with the contribution; as well as the date or dates of any sale or distribution of Tezos tokens (*i.e.*, Tez or XTZ); and provide documentary proof of the above; and (iv) be signed by the person or entity requesting exclusion or an authorized representative. A request for exclusion shall not be effective unless it provides all the information required and is received within the time stated above, or is otherwise accepted by the Court. Group opt-outs, including "mass" or "class" opt outs, are prohibited.

If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Claim against any of the Released Defendants.

If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment out of the Net Settlement Fund.

The Tezos Foundation has the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be members of the Settlement Class in an amount that exceeds 5% of all XTZ tokens allocated in the Tezos genesis block (i.e., 38,000,000 XTZ tokens).

**When and where will the Court decide whether to approve the Settlement?**

**Do I have to come to the hearing?**

**May I speak at the hearing if I don't like the Settlement?**

**Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing.**

The Settlement Hearing will be held on \_\_\_\_\_, 202\_\_ at \_\_:\_\_.m., before the Honorable Richard Seeborg at the United States District Court for the Northern District of California, United States Courthouse, 450 Golden Gate Avenue, San Francisco, CA 94102. The Court reserves the right to approve the Settlement, the Plan of Allocation, Federal and State Lead Counsel's motion for an award of attorneys' fees and litigation expenses and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Settlement Class.

Any Settlement Class Member who or which does not request exclusion may object to the Settlement, the proposed Plan of Allocation or Federal and State Lead Counsel's motion for an award of attorneys' fees and litigation expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the Northern District of California at the address set forth below on or before \_\_\_\_\_, 202\_\_. You must also serve the papers on Federal Lead Counsel and on Defendants' Counsel at the addresses set forth below so that the papers are *received on or before* \_\_\_\_\_, 202\_\_.

**Federal Lead Counsel**

Block & Leviton LLP  
Attn: Jacob A. Walker, Esq.  
260 Franklin Street, Suite 1860  
Boston, MA 02110

**Defendants' Counsel**

Davis Polk & Wardwell LLP  
Attn: Neal Potischman  
1600 El Camino Real  
Menlo Park, CA 94025

Baker Marquart LLP  
Attn: Brian E. Klein  
777 S. Figueroa Street, Suite 2850  
Los Angeles, CA 90017

Any objection: (a) must state the name, address and telephone number of the person or entity objecting and must be signed by the objector; (b) must contain a statement of the Settlement

Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and (c) must include documents sufficient to prove membership in the Settlement Class, including the amount of Bitcoin/Ethereum that the objecting Settlement Class Member contributed during the Settlement Class Period (*i.e.*, between July 1, 2017 and July 13, 2017, inclusive), as well as the dates and prices of each such contribution. You may not object to the Settlement, the Plan of Allocation or Federal and State Lead Counsel's motion for attorneys' fees and litigation expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.

You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first file and serve a written objection in accordance with the procedures described above, unless the Court orders otherwise.

If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation or Federal and State Counsel's motion for an award of attorneys' fees and Litigation Expenses, and if you timely file and serve a written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Federal Lead Counsel and Defendants' Counsel at the addresses set forth above so that it is ***received on or before*** \_\_\_\_\_, 2020. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Federal Lead Counsel and Defendants' Counsel at the addresses set forth in ¶ \_\_ above so that the notice is ***received on or before*** \_\_\_\_\_, 2020.

The Settlement Hearing may be adjourned by the Court without further written notice to the Settlement Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Federal Lead Counsel.

**Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation or Federal and State Lead Counsel's motion for an award of attorneys' fees and litigation expenses. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.**

#### **Can I see the Court file? Whom should I contact if I have questions?**

This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the

Office of the Clerk, United States District Court for the Northern District of California, United States Courthouse, 450 Golden Gate Avenue, San Francisco, CA 94102. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on the website maintained by the Claims Administrator, [www.TezosFoundationSettlement.com](http://www.TezosFoundationSettlement.com).

All inquiries concerning this Notice and the Claim Form should be directed to the Claims Administrator or Federal Lead Counsel at:

**Federal Lead Counsel**

Block & Leviton LLP  
Attn: Jacob A. Walker, Esq.  
260 Franklin Street, Suite 1860  
Boston, MA 02110  
[tezos-settlement@blockesq.com](mailto:tezos-settlement@blockesq.com)

**Claims Administrator**

Epiq Class Actions & Claims Solutions, Inc.  
Attn: In re Tezos Securities Litigation  
PO Box 3770  
Portland, OR 97208  
(866) 977-1042  
[info@TezosFoundationSettlement.com](mailto:info@TezosFoundationSettlement.com)

**Do not call or write the Court, the Office of the Clerk of the Court, Defendants, or their counsel regarding this notice.**

**Direct all inquiries to the Claims Administrator or to counsel for Plaintiffs.**

By Order of the Court  
United States District Court  
Northern District of California

Published on [DATE].

**TABLE 1:**  
**Currency Conversion Closing Prices**

Date	BTC/XTZ	ETH/XTZ	ETH/BTC	Date	BTC/XTZ	ETH/XTZ	ETH/BTC
7/1/2017	0.00066604	0.00590495	8.86580481	8/19/2017	0.00032143	0.00453155	14.09789222
7/2/2017	0.00034145	0.00297175	8.70332303	8/20/2017	0.00042244	0.00572869	13.56089308
7/3/2017	0.00028731	0.00260402	9.06348533	8/21/2017	0.00037861	0.00471128	12.44360832
7/4/2017	0.00032880	0.00313000	9.51935602	8/22/2017	0.00045424	0.00591696	13.02620795
7/5/2017	0.00027370	0.00264970	9.68110280	8/23/2017	0.00049895	0.00652368	13.07482993
7/6/2017	0.00039071	0.00376714	9.64169285	8/24/2017	0.00053275	0.00709223	13.31249040
7/7/2017	0.00051591	0.00528233	10.23887150	8/25/2017	0.00049833	0.00656333	13.17064353
7/8/2017	0.00045276	0.00462535	10.21589193	8/26/2017	0.00048497	0.00632203	13.03582125
7/9/2017	0.00034924	0.00363237	10.40075989	8/27/2017	0.00047273	0.00595562	12.59846503
7/10/2017	0.00032833	0.00361713	11.01671620	8/28/2017	0.00052562	0.00662430	12.60290439
7/11/2017	0.00033992	0.00402562	11.84290780	8/29/2017	0.00052240	0.00645345	12.35336013
7/12/2017	0.00020407	0.00212128	10.39493868	8/30/2017	0.00051690	0.00623494	12.06219615
7/13/2017	0.00033128	0.00372442	11.24254995	8/31/2017	0.00053225	0.00653561	12.27910923
7/14/2017	0.00034830	0.00389596	11.18571572	9/1/2017	0.00043138	0.00544256	12.61672770
7/15/2017	0.00042916	0.00502689	11.71321418	9/2/2017	0.00050505	0.00662645	13.12043670
7/16/2017	0.00049003	0.00600955	12.26372649	9/3/2017	0.00042750	0.00563831	13.18913319
7/17/2017	0.00067353	0.00775980	11.52109399	9/4/2017	0.00047367	0.00679812	14.35210218
7/18/2017	0.00078525	0.00776868	9.89325483	9/5/2017	0.00046765	0.00653919	13.98297070
7/19/2017	0.00082378	0.00937807	11.38422634	9/6/2017	0.00045722	0.00628671	13.74983550
7/20/2017	0.00068157	0.00845023	12.39813430	9/7/2017	0.00041438	0.00578605	13.96314847
7/21/2017	0.00061542	0.00752084	12.22061383	9/8/2017	0.00046498	0.00663170	14.26222597
7/22/2017	0.00062325	0.00763204	12.24559874	9/9/2017	0.00043953	0.00630944	14.35482337
7/23/2017	0.00061855	0.00747466	12.08408940	9/10/2017	0.00045637	0.00651636	14.27858009
7/24/2017	0.00053832	0.00659962	12.25962351	9/11/2017	0.00046844	0.00661834	14.12850983
7/25/2017	0.00056833	0.00708384	12.46422524	9/12/2017	0.00045403	0.00643485	14.17281960
7/26/2017	0.00058119	0.00720814	12.40230449	9/13/2017	0.00036762	0.00515066	14.01100646
7/27/2017	0.00052841	0.00690975	13.07644871	9/14/2017	0.00052676	0.00776916	14.74895984
7/28/2017	0.00048889	0.00711112	14.54541218	9/15/2017	0.00044693	0.00649086	14.52335702
7/29/2017	0.00051859	0.00687060	13.24870013	9/16/2017	0.00046104	0.00677957	14.70485153
7/30/2017	0.00051912	0.00722952	13.92655824	9/17/2017	0.00050440	0.00717855	14.23189672
7/31/2017	0.00051225	0.00722470	14.10379163	9/18/2017	0.00044864	0.00621397	13.85076661
8/1/2017	0.00050308	0.00603034	11.98685893	9/19/2017	0.00046413	0.00644165	13.87896040
8/2/2017	0.00053197	0.00655604	12.32402819	9/20/2017	0.00041885	0.00576584	13.76594770
8/3/2017	0.00050764	0.00631845	12.44665838	9/21/2017	0.00044004	0.00617913	14.04223064
8/4/2017	0.00056746	0.00736675	12.98197875	9/22/2017	0.00043234	0.00593886	13.73652151
8/5/2017	0.00055802	0.00707653	12.68141593	9/23/2017	0.00041064	0.00544187	13.25226264
8/6/2017	0.00045010	0.00553045	12.28711244	9/24/2017	0.00045335	0.00591051	13.03752478
8/7/2017	0.00036804	0.00461996	12.55271565	9/25/2017	0.00040942	0.00549858	13.43026716
8/8/2017	0.00035752	0.00412003	11.52387371	9/26/2017	0.00042794	0.00579495	13.54143473
8/9/2017	0.00035474	0.00400534	11.29098402	9/27/2017	0.00038537	0.00528208	13.70662708
8/10/2017	0.00037891	0.00432999	11.42748995	9/28/2017	0.00042249	0.00589604	13.95530670
8/11/2017	0.00035665	0.00421550	11.81965939	9/29/2017	0.00039274	0.00560950	14.28301369
8/12/2017	0.00032378	0.00404958	12.50711526	9/30/2017	0.00038514	0.00554302	14.39232402
8/13/2017	0.00033710	0.00460679	13.66590619	10/1/2017	0.00042748	0.00622643	14.56552226
8/14/2017	0.00029144	0.00420027	14.41229590	10/2/2017	0.00041957	0.00621891	14.82224015
8/15/2017	0.00031311	0.00451798	14.42940446	10/3/2017	0.00044470	0.00656500	14.76263421
8/16/2017	0.00029402	0.00425712	14.47920733	10/4/2017	0.00050835	0.00734641	14.45144536
8/17/2017	0.00029134	0.00418629	14.36903735	10/5/2017	0.00049210	0.00719935	14.62992632
8/18/2017	0.00030926	0.00435299	14.07564532	10/6/2017	0.00049876	0.00706439	14.16380959

**TABLE 1:**  
**Currency Conversion Closing Prices**

Date	BTC/XTZ	ETH/XTZ	ETH/BTC	Date	BTC/XTZ	ETH/XTZ	ETH/BTC
10/7/2017	0.00053762	0.00764978	14.22888275	11/27/2017	0.00022101	0.00451745	20.43956616
10/8/2017	0.00050971	0.00761479	14.93950293	11/28/2017	0.00021175	0.00450412	21.27045887
10/9/2017	0.00048617	0.00780120	16.04633646	11/29/2017	0.00020832	0.00481849	23.13016935
10/10/2017	0.00048515	0.00773669	15.94687698	11/30/2017	0.00021400	0.00489812	22.88832726
10/11/2017	0.00046825	0.00744744	15.90483095	12/1/2017	0.00022049	0.00518712	23.52552836
10/12/2017	0.00045347	0.00812126	17.90921944	12/2/2017	0.00022484	0.00537275	23.89599741
10/13/2017	0.00043207	0.00720274	16.67023852	12/3/2017	0.00024021	0.00583879	24.30653644
10/14/2017	0.00044926	0.00771428	17.17100963	12/4/2017	0.00022904	0.00567843	24.79200340
10/15/2017	0.00044028	0.00742721	16.86925134	12/5/2017	0.00023496	0.00604386	25.72245726
10/16/2017	0.00045236	0.00776891	17.17436559	12/6/2017	0.00023161	0.00772300	33.34538837
10/17/2017	0.00044599	0.00788445	17.67853539	12/7/2017	0.00021118	0.00870146	41.20462236
10/18/2017	0.00040782	0.00725375	17.78661873	12/8/2017	0.00023055	0.00837664	36.33401311
10/19/2017	0.00035561	0.00658898	18.52874160	12/9/2017	0.00022466	0.00720169	32.05533263
10/20/2017	0.00031440	0.00621690	19.77385612	12/10/2017	0.00022322	0.00781038	34.98913339
10/21/2017	0.00030174	0.00606283	20.09260801	12/11/2017	0.00022850	0.00751252	32.87805257
10/22/2017	0.00027961	0.00568624	20.33650364	12/12/2017	0.00024691	0.00660086	26.73410804
10/23/2017	0.00029003	0.00599408	20.66673637	12/13/2017	0.00024805	0.00579137	23.34789476
10/24/2017	0.00033293	0.00616767	18.52525727	12/14/2017	0.00026805	0.00638096	23.80500704
10/25/2017	0.00030952	0.00597476	19.30316864	12/15/2017	0.00028238	0.00730514	25.87026079
10/26/2017	0.00030314	0.00603649	19.91309480	12/16/2017	0.00030671	0.00858936	28.00505595
10/27/2017	0.00030791	0.00598480	19.43682335	12/17/2017	0.00055170	0.01466728	26.58555218
10/28/2017	0.00031288	0.00607492	19.41643604	12/18/2017	0.00043685	0.01050777	24.05360851
10/29/2017	0.00028437	0.00573601	20.17060540	12/19/2017	0.00042528	0.00914347	21.50008466
10/30/2017	0.00028546	0.00568643	19.92048741	12/20/2017	0.00029174	0.00592121	20.29642652
10/31/2017	0.00027055	0.00572120	21.14685498	12/21/2017	0.00031830	0.00612623	19.24694907
11/1/2017	0.00025416	0.00589667	23.20034969	12/22/2017	0.00027834	0.00570489	20.49580654
11/2/2017	0.00022745	0.00560136	24.62686567	12/23/2017	0.00030138	0.00615799	20.43286673
11/3/2017	0.00024141	0.00569167	23.57711557	12/24/2017	0.00028867	0.00579126	20.06165814
11/4/2017	0.00023984	0.00589077	24.56135388	12/25/2017	0.00027804	0.00509251	18.31555306
11/5/2017	0.00022950	0.00573820	25.00307163	12/26/2017	0.00026460	0.00550501	20.80507598
11/6/2017	0.00022071	0.00518585	23.49613570	12/27/2017	0.00024434	0.00507315	20.76254523
11/7/2017	0.00024075	0.00583724	24.24618204	12/28/2017	0.00025947	0.00514233	19.81832243
11/8/2017	0.00021717	0.00524153	24.13592390	12/29/2017	0.00025655	0.00498945	19.44850648
11/9/2017	0.00023938	0.00532909	22.26246572	12/30/2017	0.00029956	0.00540947	18.05788696
11/10/2017	0.00023572	0.00521303	22.11575606	12/31/2017	0.00028821	0.00539162	18.70733287
11/11/2017	0.00024852	0.00502097	20.20338121	1/1/2018	0.00033169	0.00586302	17.67601988
11/12/2017	0.00024874	0.00480660	19.32405573	1/2/2018	0.00036977	0.00626385	16.93964543
11/13/2017	0.00022258	0.00460975	20.71069083	1/3/2018	0.00046642	0.00736455	15.78963769
11/14/2017	0.00023509	0.00462044	19.65391109	1/4/2018	0.00039425	0.00626962	15.90262203
11/15/2017	0.00022008	0.00482961	21.94486441	1/5/2018	0.00031441	0.00549252	17.46933007
11/16/2017	0.00021088	0.00501632	23.78728998	1/6/2018	0.00031095	0.00523193	16.82570463
11/17/2017	0.00021404	0.00496405	23.19260507	1/7/2018	0.00033015	0.00471743	14.28896000
11/18/2017	0.00021694	0.00486177	22.41060384	1/8/2018	0.00031246	0.00412701	13.20827493
11/19/2017	0.00021402	0.00485341	22.67696605	1/9/2018	0.00034052	0.00382384	11.22947666
11/20/2017	0.00021340	0.00477190	22.36151937	1/10/2018	0.00033059	0.00394165	11.92312593
11/21/2017	0.00021310	0.00477248	22.39528302	1/11/2018	0.00039311	0.00456305	11.60745673
11/22/2017	0.00028109	0.00609484	21.68277946	1/12/2018	0.00041128	0.00451618	10.98067861
11/23/2017	0.00025128	0.00492479	19.59862984	1/13/2018	0.00042270	0.00434683	10.28358230
11/24/2017	0.00023989	0.00416921	17.37948243	1/14/2018	0.00040299	0.00406067	10.07631130
11/25/2017	0.00023092	0.00435361	18.85330703	1/15/2018	0.00037844	0.00404824	10.69710199
11/26/2017	0.00023257	0.00460399	19.79621497	1/16/2018	0.00042122	0.00459338	10.90501001

**TABLE 1:**  
**Currency Conversion Closing Prices**

Date	BTC/XTZ	ETH/XTZ	ETH/BTC	Date	BTC/XTZ	ETH/XTZ	ETH/BTC
1/17/2018	0.00040488	0.00446635	11.03140251	3/7/2018	0.00034117	0.00451629	13.23747725
1/18/2018	0.00044706	0.00495040	11.07316555	3/8/2018	0.00032358	0.00431450	13.33382061
1/19/2018	0.00040836	0.00456164	11.17062843	3/9/2018	0.00032985	0.00422543	12.81011634
1/20/2018	0.00038685	0.00431979	11.16668831	3/10/2018	0.00033950	0.00438207	12.90745243
1/21/2018	0.00039482	0.00436365	11.05213514	3/11/2018	0.00037584	0.00497691	13.24222357
1/22/2018	0.00043270	0.00471463	10.89587943	3/12/2018	0.00035958	0.00472972	13.15336582
1/23/2018	0.00043613	0.00480618	11.02014743	3/13/2018	0.00036760	0.00489267	13.30985915
1/24/2018	0.00037326	0.00400461	10.72876329	3/14/2018	0.00037365	0.00503020	13.46238747
1/25/2018	0.00035881	0.00382565	10.66200771	3/15/2018	0.00038189	0.00518567	13.57902830
1/26/2018	0.00036790	0.00389511	10.58729873	3/16/2018	0.00035259	0.00488640	13.85867668
1/27/2018	0.00035750	0.00369444	10.33421554	3/17/2018	0.00035241	0.00504722	14.32193639
1/28/2018	0.00038859	0.00367573	9.45923387	3/18/2018	0.00034291	0.00523541	15.26748849
1/29/2018	0.00029036	0.00277411	9.55411211	3/19/2018	0.00034992	0.00542453	15.50239793
1/30/2018	0.00034038	0.00321156	9.43517594	3/20/2018	0.00036910	0.00590484	15.99775652
1/31/2018	0.00033167	0.00303136	9.13977341	3/21/2018	0.00037517	0.00596372	15.89603546
2/1/2018	0.00033368	0.00295142	8.84512775	3/22/2018	0.00038266	0.00618862	16.17281823
2/2/2018	0.00032274	0.00311210	9.64287274	3/23/2018	0.00039078	0.00643045	16.45532041
2/3/2018	0.00034660	0.00329869	9.51734404	3/24/2018	0.00045108	0.00742725	16.46554213
2/4/2018	0.00037091	0.00367806	9.91638712	3/25/2018	0.00046258	0.00749585	16.20435255
2/5/2018	0.00034650	0.00345297	9.96528405	3/26/2018	0.00042878	0.00718441	16.75558730
2/6/2018	0.00031726	0.00310167	9.77657858	3/27/2018	0.00038555	0.00670932	17.40211499
2/7/2018	0.00031753	0.00319653	10.06683662	3/28/2018	0.00039475	0.00703594	17.82396702
2/8/2018	0.00035690	0.00360719	10.10698084	3/29/2018	0.00038935	0.00722854	18.56543255
2/9/2018	0.00036283	0.00358654	9.88502704	3/30/2018	0.00040781	0.00712041	17.46026759
2/10/2018	0.00037927	0.00380051	10.02068781	3/31/2018	0.00041012	0.00721384	17.58949200
2/11/2018	0.00036655	0.00365797	9.97958658	4/1/2018	0.00038573	0.00695451	18.02963568
2/12/2018	0.00036072	0.00370665	10.27566161	4/2/2018	0.00038821	0.00711661	18.33186688
2/13/2018	0.00030355	0.00308781	10.17238483	4/3/2018	0.00038626	0.00690830	17.88507760
2/14/2018	0.00026331	0.00270692	10.28046905	4/4/2018	0.00038810	0.00699007	18.01082672
2/15/2018	0.00025279	0.00274285	10.85017823	4/5/2018	0.00039639	0.00704538	17.77384338
2/16/2018	0.00026285	0.00284894	10.83858464	4/6/2018	0.00037671	0.00675147	17.92195306
2/17/2018	0.00024746	0.00282309	11.40805453	4/7/2018	0.00037621	0.00674781	17.93644079
2/18/2018	0.00027199	0.00310633	11.42068577	4/8/2018	0.00037588	0.00659160	17.53644104
2/19/2018	0.00030645	0.00364461	11.89297142	4/9/2018	0.00038548	0.00654907	16.98926053
2/20/2018	0.00034287	0.00436691	12.73629896	4/10/2018	0.00039211	0.00646968	16.49951719
2/21/2018	0.00033020	0.00415309	12.57738508	4/11/2018	0.00038316	0.00620151	16.18506991
2/22/2018	0.00040580	0.00499483	12.30869544	4/12/2018	0.00038660	0.00618737	16.00448330
2/23/2018	0.00045529	0.00542705	11.91994816	4/13/2018	0.00035968	0.00576381	16.02492237
2/24/2018	0.00049322	0.00575834	11.67499881	4/14/2018	0.00035937	0.00572306	15.92534099
2/25/2018	0.00048320	0.00552787	11.44012263	4/15/2018	0.00035898	0.00562347	15.66505548
2/26/2018	0.00038199	0.00455528	11.92506787	4/16/2018	0.00037972	0.00598650	15.76576347
2/27/2018	0.00040650	0.00496430	12.21218987	4/17/2018	0.00036066	0.00566724	15.71335680
2/28/2018	0.00040681	0.00494621	12.15844247	4/18/2018	0.00036994	0.00575468	15.55559367
3/1/2018	0.00040088	0.00503325	12.55560651	4/19/2018	0.00036772	0.00537076	14.60548698
3/2/2018	0.00038876	0.00503005	12.93855401	4/20/2018	0.00033801	0.00485610	14.36664393
3/3/2018	0.00038382	0.00514454	13.40344369	4/21/2018	0.00033500	0.00492237	14.69372316
3/4/2018	0.00037003	0.00491531	13.28356487	4/22/2018	0.00036013	0.00509761	14.15505098
3/5/2018	0.00034994	0.00474417	13.55695343	4/23/2018	0.00038854	0.00540036	13.89912069
3/6/2018	0.00033581	0.00443112	13.19529959	4/24/2018	0.00043413	0.00594498	13.69393922

**TABLE 1:**  
**Currency Conversion Closing Prices**

Date	BTC/XTZ	ETH/XTZ	ETH/BTC	Date	BTC/XTZ	ETH/XTZ	ETH/BTC
4/25/2018	0.00040924	0.00588216	14.37350102	6/15/2018	0.00060094	0.00790224	13.14985743
4/26/2018	0.00037709	0.00528055	14.00327394	6/16/2018	0.00061983	0.00812585	13.10975903
4/27/2018	0.00039501	0.00548661	13.88969600	6/17/2018	0.00061853	0.00803277	12.98685183
4/28/2018	0.00039900	0.00545577	13.67376550	6/18/2018	0.00062066	0.00805566	12.97928270
4/29/2018	0.00040025	0.00547265	13.67303449	6/19/2018	0.00062334	0.00784445	12.58446725
4/30/2018	0.00039175	0.00540363	13.79351266	6/20/2018	0.00063011	0.00796241	12.63645179
5/1/2018	0.00040026	0.00541857	13.53752171	6/21/2018	0.00062112	0.00792612	12.76094583
5/2/2018	0.00040169	0.00539911	13.44090810	6/22/2018	0.00064270	0.00839380	13.06017346
5/3/2018	0.00040333	0.00504143	12.49949970	6/23/2018	0.00061339	0.00796594	12.98676557
5/4/2018	0.00040100	0.00495150	12.34790357	6/24/2018	0.00052971	0.00714489	13.48838683
5/5/2018	0.00041184	0.00497476	12.07928981	6/25/2018	0.00059528	0.00808151	13.57602485
5/6/2018	0.00041741	0.00508639	12.18563441	6/26/2018	0.00057437	0.00808744	14.08062019
5/7/2018	0.00040969	0.00509473	12.43566576	6/27/2018	0.00058144	0.00809296	13.91882177
5/8/2018	0.00041149	0.00504742	12.26631777	6/28/2018	0.00060304	0.00842883	13.97727057
5/9/2018	0.00041822	0.00518424	12.39588983	6/29/2018	0.00065291	0.00931171	14.26182886
5/10/2018	0.00042459	0.00527995	12.43529315	6/30/2018	0.00069176	0.00973241	14.06915945
5/11/2018	0.00043950	0.00545917	12.42144528	7/1/2018	0.00061856	0.00870197	14.06816179
5/12/2018	0.00045738	0.00567014	12.39689527	7/2/2018	0.00043996	0.00612180	13.91433680
5/13/2018	0.00049175	0.00584867	11.89357873	7/3/2018	0.00030630	0.00430849	14.06632917
5/14/2018	0.00058852	0.00702211	11.93181849	7/4/2018	0.00028344	0.00400154	14.11784216
5/15/2018	0.00059104	0.00709580	12.00555814	7/5/2018	0.00021388	0.00299319	13.99451951
5/16/2018	0.00053890	0.00637862	11.83626335	7/6/2018	0.00026823	0.00377629	14.07881690
5/17/2018	0.00055718	0.00670472	12.03330063	7/7/2018	0.00026980	0.00376276	13.94648741
5/18/2018	0.00056963	0.00676873	11.88267062	7/8/2018	0.00034249	0.00474321	13.84911678
5/19/2018	0.00057717	0.00683388	11.84038017	7/9/2018	0.00033522	0.00474113	14.14313586
5/20/2018	0.00057087	0.00679369	11.90048506	7/10/2018	0.00035229	0.00513328	14.57103725
5/21/2018	0.00053569	0.00645004	12.04054518	7/11/2018	0.00032840	0.00470304	14.32121741
5/22/2018	0.00051979	0.00645321	12.41513570	7/12/2018	0.00030503	0.00441789	14.48324691
5/23/2018	0.00051867	0.00671704	12.95056461	7/13/2018	0.00031580	0.00453886	14.37239361
5/24/2018	0.00053906	0.00679673	12.60858149	7/14/2018	0.00031389	0.00451742	14.39179986
5/25/2018	0.00058689	0.00748215	12.74886234	7/15/2018	0.00034279	0.00484606	14.13724575
5/26/2018	0.00059816	0.00749217	12.5253715	7/16/2018	0.00033819	0.00474348	14.02602671
5/27/2018	0.00058902	0.00757854	12.86643268	7/17/2018	0.00033329	0.00487026	14.61285429
5/28/2018	0.00059137	0.00817766	13.82836602	7/18/2018	0.00031611	0.00484901	15.33949345
5/29/2018	0.00065038	0.00859584	13.21669998	7/19/2018	0.00030401	0.00483370	15.89979132
5/30/2018	0.00069263	0.00916743	13.23561894	7/20/2018	0.00027875	0.00454848	16.31712891
5/31/2018	0.00064450	0.00836146	12.97354800	7/21/2018	0.00029652	0.00475737	16.04378946
6/1/2018	0.00068422	0.00889594	13.00160334	7/22/2018	0.00029116	0.00469913	16.13908106
6/2/2018	0.00075620	0.00976665	12.91537825	7/23/2018	0.00029049	0.00496839	17.10349340
6/3/2018	0.00065542	0.00818333	12.48564682	7/24/2018	0.00025521	0.00448505	17.57362789
6/4/2018	0.00065607	0.00831394	12.67238355	7/25/2018	0.00025912	0.00448687	17.31547758
6/5/2018	0.00069690	0.00873133	12.52873790	7/26/2018	0.00025655	0.00439617	17.13554866
6/6/2018	0.00064150	0.00808736	12.60702991	7/27/2018	0.00025597	0.00444993	17.38456789
6/7/2018	0.00065119	0.00826187	12.68732134	7/28/2018	0.00025146	0.00441208	17.54583423
6/8/2018	0.00065706	0.00833500	12.68536634	7/29/2018	0.00025187	0.00443568	17.61085992
6/9/2018	0.00065587	0.00826695	12.60455854	7/30/2018	0.00025426	0.00455063	17.89726087
6/10/2018	0.00070734	0.00911716	12.88941650	7/31/2018	0.00024292	0.00435614	17.93265264
6/11/2018	0.00064428	0.00834458	12.95177018	8/1/2018	0.00023869	0.00432561	18.12218657
6/12/2018	0.00065782	0.00871508	13.24845021	8/2/2018	0.00021937	0.00402307	18.33927100
6/13/2018	0.00061261	0.00814677	13.29849840	8/3/2018	0.00024615	0.00437527	17.77456606
6/14/2018	0.00062169	0.00798476	12.84363336	8/4/2018	0.00026590	0.00459177	17.26912216

**TABLE 1:**  
**Currency Conversion Closing Prices**

Date	BTC/XTZ	ETH/XTZ	ETH/BTC	Date	BTC/XTZ	ETH/XTZ	ETH/BTC
8/5/2018	0.00026173	0.00450648	17.21835721	9/23/2018	0.00024737	0.00679409	27.46543609
8/6/2018	0.00025605	0.00437712	17.09487041	9/24/2018	0.00023653	0.00682027	28.83491453
8/7/2018	0.00025025	0.00444480	17.76108569	9/25/2018	0.00022803	0.00672738	29.50194499
8/8/2018	0.00024422	0.00431844	17.68262247	9/26/2018	0.00022325	0.00671763	30.09034051
8/9/2018	0.00025425	0.00456796	17.96610958	9/27/2018	0.00021567	0.00630225	29.22119130
8/10/2018	0.00024738	0.00457837	18.50712191	9/28/2018	0.00021372	0.00638489	29.87468525
8/11/2018	0.00024143	0.00471888	19.54527956	9/29/2018	0.00021812	0.00621654	28.50094975
8/12/2018	0.00022933	0.00453735	19.78499233	9/30/2018	0.00021432	0.00609835	28.45419798
8/13/2018	0.00020643	0.00453752	21.98104712	10/1/2018	0.00020487	0.00584998	28.55492482
8/14/2018	0.00020162	0.00448141	22.22675940	10/2/2018	0.00020286	0.00585439	28.85861431
8/15/2018	0.00020449	0.00456864	22.34211645	10/3/2018	0.00020146	0.00594131	29.49154157
8/16/2018	0.00020522	0.00451311	21.99177226	10/4/2018	0.00019767	0.00585006	29.59540095
8/17/2018	0.00020971	0.00437082	20.84258702	10/5/2018	0.00019932	0.00579965	29.09701230
8/18/2018	0.00020704	0.00449613	21.71583111	10/6/2018	0.00020339	0.00595238	29.26576937
8/19/2018	0.00021057	0.00455407	21.62706512	10/7/2018	0.00019991	0.00583761	29.20108792
8/20/2018	0.00022668	0.00521289	22.99697434	10/8/2018	0.00020444	0.00593213	29.01609526
8/21/2018	0.00020959	0.00482372	23.01468398	10/9/2018	0.00021076	0.00614089	29.13694184
8/22/2018	0.00020230	0.00475418	23.50081079	10/10/2018	0.00020803	0.00606812	29.16919874
8/23/2018	0.00020199	0.00476362	23.58311079	10/11/2018	0.00019820	0.00654354	33.01445910
8/24/2018	0.00019792	0.00470014	23.74795915	10/12/2018	0.00019922	0.00635389	31.89437300
8/25/2018	0.00020109	0.00486322	24.18448060	10/13/2018	0.00019726	0.00620496	31.45511409
8/26/2018	0.00019829	0.00483285	24.37231105	10/14/2018	0.00019393	0.00623339	32.14249949
8/27/2018	0.00019609	0.00472689	24.10588235	10/15/2018	0.00020768	0.00653314	31.45703386
8/28/2018	0.00019447	0.00465430	23.93349073	10/16/2018	0.00022286	0.00699600	31.39210927
8/29/2018	0.00019440	0.00473540	24.35850817	10/17/2018	0.00021392	0.00676067	31.60338999
8/30/2018	0.00019489	0.00478688	24.56171905	10/18/2018	0.00020381	0.00649127	31.85006147
8/31/2018	0.00019325	0.00480565	24.86777385	10/19/2018	0.00020262	0.00643008	31.73518873
9/1/2018	0.00019602	0.00477416	24.35582718	10/20/2018	0.00020187	0.00637687	31.58832692
9/2/2018	0.00019113	0.00472195	24.70605021	10/21/2018	0.00020672	0.00653212	31.59963927
9/3/2018	0.00019559	0.00490908	25.09873470	10/22/2018	0.00021735	0.00691041	31.79356989
9/4/2018	0.00019561	0.00503990	25.76529469	10/23/2018	0.00021310	0.00675345	31.69100519
9/5/2018	0.00019138	0.00559549	29.23785133	10/24/2018	0.00020629	0.00657346	31.86578366
9/6/2018	0.00018992	0.00538615	28.36056815	10/25/2018	0.00020845	0.00665943	31.94697119
9/7/2018	0.00019019	0.00566298	29.77472376	10/26/2018	0.00021159	0.00673782	31.84355481
9/8/2018	0.00018471	0.00580955	31.45228593	10/27/2018	0.00020832	0.00661084	31.73390138
9/9/2018	0.00019045	0.00609385	31.99705464	10/28/2018	0.00020813	0.00657350	31.58392170
9/10/2018	0.00022276	0.00715446	32.11741425	10/29/2018	0.00020213	0.00648923	32.10458809
9/11/2018	0.00020724	0.00707840	34.15572486	10/30/2018	0.00020208	0.00647904	32.06251265
9/12/2018	0.00019837	0.00687285	34.64681176	10/31/2018	0.00020261	0.00648495	32.00734624
9/13/2018	0.00020714	0.00638751	30.83657440	11/1/2018	0.00020540	0.00658722	32.07009604
9/14/2018	0.00024107	0.00741440	30.75659976	11/2/2018	0.00020506	0.00652911	31.84031100
9/15/2018	0.00024911	0.00730712	29.33249653	11/3/2018	0.00020593	0.00654378	31.77611269
9/16/2018	0.00025471	0.00752527	29.54431298	11/4/2018	0.00020859	0.00640995	30.72981830
9/17/2018	0.00023881	0.00758035	31.74247018	11/5/2018	0.00020406	0.00626524	30.70285523
9/18/2018	0.00023700	0.00719116	30.34241356	11/6/2018	0.00020585	0.00608835	29.57660792
9/19/2018	0.00024224	0.00738201	30.47359147	11/7/2018	0.00020367	0.00612395	30.06786997
9/20/2018	0.00026228	0.00761387	29.02920878	11/8/2018	0.00020453	0.00621967	30.40908448
9/21/2018	0.00024648	0.00673210	27.31344797	11/9/2018	0.00020202	0.00614081	30.39758176
9/22/2018	0.00024695	0.00690286	27.95234531	11/10/2018	0.00020439	0.00616384	30.15677787

**TABLE 1:**  
**Currency Conversion Closing Prices**

Date	BTC/XTZ	ETH/XTZ	ETH/BTC	Date	BTC/XTZ	ETH/XTZ	ETH/BTC
11/11/2018	0.00020589	0.00624586	30.33628277	12/31/2018	0.00012361	0.00346875	28.06253280
11/12/2018	0.00019933	0.00603555	30.27882331	1/1/2019	0.00012351	0.00337096	27.29385031
11/13/2018	0.00019498	0.00599526	30.74742542	1/2/2019	0.00012307	0.00313008	25.43315060
11/14/2018	0.00019518	0.00617420	31.63368247	1/3/2019	0.00012566	0.00323276	25.72576103
11/15/2018	0.00019653	0.00613904	31.23737625	1/4/2019	0.00012521	0.00312478	24.95613922
11/16/2018	0.00019908	0.00633634	31.82754881	1/5/2019	0.00012567	0.00310475	24.70566692
11/17/2018	0.00019624	0.00626437	31.92143678	1/6/2019	0.00011881	0.00307029	25.84234548
11/18/2018	0.00019205	0.00609928	31.75885243	1/7/2019	0.00011960	0.00317357	26.53427818
11/19/2018	0.00017020	0.00555788	32.65511463	1/8/2019	0.00012032	0.00322555	26.80799415
11/20/2018	0.00016075	0.00549043	34.15582323	1/9/2019	0.00012290	0.00328874	26.75928382
11/21/2018	0.00015678	0.00527805	33.66620337	1/10/2019	0.00012309	0.00352043	28.60079297
11/22/2018	0.00015705	0.00541129	34.45615973	1/11/2019	0.00012197	0.00352617	28.90921207
11/23/2018	0.00014606	0.00514942	35.25636659	1/12/2019	0.00011602	0.00337206	29.06485671
11/24/2018	0.00014608	0.00499511	34.19473081	1/13/2019	0.00011109	0.00337643	30.39307100
11/25/2018	0.00014702	0.00506282	34.43512237	1/14/2019	0.00011242	0.00322804	28.71348880
11/26/2018	0.00015044	0.00524782	34.88213033	1/15/2019	0.00011236	0.00334310	29.75235598
11/27/2018	0.00014797	0.00513918	34.73066085	1/16/2019	0.00011625	0.00343913	29.58324565
11/28/2018	0.00013671	0.00475368	34.77147991	1/17/2019	0.00011608	0.00345099	29.72813965
11/29/2018	0.00013159	0.00479049	36.40335205	1/18/2019	0.00011952	0.00361291	30.22758450
11/30/2018	0.00012321	0.00437358	35.49765839	1/19/2019	0.00011730	0.00351235	29.94354321
12/1/2018	0.00012169	0.00432288	35.52486514	1/20/2019	0.00011898	0.00358632	30.14154181
12/2/2018	0.00011891	0.00422956	35.56903514	1/21/2019	0.00011843	0.00361466	30.52261864
12/3/2018	0.00011298	0.00403899	35.74892133	1/22/2019	0.00011760	0.00356960	30.35435789
12/4/2018	0.00011014	0.00395439	35.90318483	1/23/2019	0.00011864	0.00362152	30.52464879
12/5/2018	0.00010404	0.00381108	36.63144028	1/24/2019	0.00011652	0.00357520	30.68225971
12/6/2018	0.00009918	0.00380594	38.37292938	1/25/2019	0.00011525	0.00356470	30.93117374
12/7/2018	0.00010856	0.00397973	36.65923464	1/26/2019	0.00011393	0.00352340	30.92505794
12/8/2018	0.00011344	0.00427860	37.71820747	1/27/2019	0.00011221	0.00354619	31.60188696
12/9/2018	0.00011200	0.00425477	37.98854320	1/28/2019	0.00010914	0.00355341	32.55887044
12/10/2018	0.00010302	0.00393538	38.20111244	1/29/2019	0.00010816	0.00353181	32.65265152
12/11/2018	0.00010640	0.00409636	38.50016863	1/30/2019	0.00010891	0.00348622	32.00973281
12/12/2018	0.00011936	0.00459441	38.49155536	1/31/2019	0.00010960	0.00353978	32.29768354
12/13/2018	0.00011230	0.00430002	38.29073261	2/1/2019	0.00010968	0.00355493	32.41287984
12/14/2018	0.00011510	0.00442676	38.45902028	2/2/2019	0.00010822	0.00345056	31.88499502
12/15/2018	0.00012020	0.00460738	38.33207011	2/3/2019	0.00010787	0.00347614	32.22634664
12/16/2018	0.00012116	0.00462261	38.15200563	2/4/2019	0.00010696	0.00343142	32.08263773
12/17/2018	0.00011822	0.00440639	37.27383580	2/5/2019	0.00010717	0.00345765	32.26321668
12/18/2018	0.00011842	0.00432890	36.55484126	2/6/2019	0.00010765	0.00350253	32.53688525
12/19/2018	0.00011949	0.00441972	36.98973042	2/7/2019	0.00010704	0.00348062	32.51836618
12/20/2018	0.00011414	0.00406027	35.57425572	2/8/2019	0.00010572	0.00325018	30.74352310
12/21/2018	0.00011831	0.00421008	35.58484018	2/9/2019	0.00010344	0.00317969	30.73934522
12/22/2018	0.00011685	0.00401727	34.37975334	2/10/2019	0.00010271	0.00303673	29.56646102
12/23/2018	0.00012830	0.00392353	30.58025541	2/11/2019	0.00010507	0.00316032	30.07774114
12/24/2018	0.00013083	0.00380491	29.08300057	2/12/2019	0.00010673	0.00318150	29.80770172
12/25/2018	0.00012970	0.00381126	29.38609057	2/13/2019	0.00010869	0.00322117	29.63745410
12/26/2018	0.00013555	0.00396487	29.25077728	2/14/2019	0.00011369	0.00338754	29.79553505
12/27/2018	0.00012880	0.00403803	31.35040316	2/15/2019	0.00012387	0.00367333	29.65446355
12/28/2018	0.00012962	0.00369493	28.50650200	2/16/2019	0.00011931	0.00351343	29.44823949
12/29/2018	0.00013358	0.00369743	27.68011882	2/17/2019	0.00011893	0.00327053	27.49880240
12/30/2018	0.00012888	0.00356231	27.64157014	2/18/2019	0.00011588	0.00310571	26.80157426

**TABLE 1:**  
**Currency Conversion Closing Prices**

Date	BTC/XTZ	ETH/XTZ	ETH/BTC	Date	BTC/XTZ	ETH/XTZ	ETH/BTC
2/19/2019	0.00011432	0.00310453	27.15576195	4/10/2019	0.00019157	0.00575166	30.02452915
2/20/2019	0.00011597	0.00310165	26.74570378	4/11/2019	0.00018511	0.00566449	30.60114804
2/21/2019	0.00011087	0.00300011	27.05892014	4/12/2019	0.00019120	0.00590694	30.89437902
2/22/2019	0.00011146	0.00299457	26.86652358	4/13/2019	0.00019241	0.00596090	30.98042672
2/23/2019	0.00010888	0.00284025	26.08646096	4/14/2019	0.00022060	0.00679218	30.78956149
2/24/2019	0.00011163	0.00313109	28.04880383	4/15/2019	0.00021117	0.00662252	31.36170081
2/25/2019	0.00011086	0.00307846	27.76927478	4/16/2019	0.00021965	0.00686076	31.23469753
2/26/2019	0.00010581	0.00295344	27.91194149	4/17/2019	0.00024182	0.00760707	31.45816113
2/27/2019	0.00010695	0.00302553	28.28950268	4/18/2019	0.00026046	0.00793970	30.48380415
2/28/2019	0.00010637	0.00299839	28.18859232	4/19/2019	0.00025642	0.00782914	30.53255426
3/1/2019	0.00010666	0.00301711	28.28774553	4/20/2019	0.00025104	0.00771223	30.72166906
3/2/2019	0.00010514	0.00302752	28.79383056	4/21/2019	0.00024838	0.00776242	31.25274919
3/3/2019	0.00010535	0.00306479	29.09020794	4/22/2019	0.00025003	0.00785477	31.41543027
3/4/2019	0.00010787	0.00317575	29.44008766	4/23/2019	0.00026201	0.00851560	32.50137066
3/5/2019	0.00010779	0.00304730	28.27151357	4/24/2019	0.00022507	0.00741723	32.95465235
3/6/2019	0.00010755	0.00302507	28.12839542	4/25/2019	0.00021495	0.00725107	33.73378221
3/7/2019	0.00010686	0.00302824	28.33789756	4/26/2019	0.00021783	0.00735529	33.76622961
3/8/2019	0.00010540	0.00304274	28.86945904	4/27/2019	0.00023157	0.00770056	33.25310863
3/9/2019	0.00010532	0.00302551	28.72588244	4/28/2019	0.00022138	0.00743802	33.59910998
3/10/2019	0.00011487	0.00331908	28.89441357	4/29/2019	0.00021535	0.00728093	33.81024485
3/11/2019	0.00011614	0.00338912	29.18052753	4/30/2019	0.00022801	0.00752297	32.99457360
3/12/2019	0.00011732	0.00341141	29.07735793	5/1/2019	0.00022211	0.00746176	33.59470215
3/13/2019	0.00011607	0.00340286	29.31652409	5/2/2019	0.00023432	0.00795707	33.95805576
3/14/2019	0.00011437	0.00335683	29.34986164	5/3/2019	0.00022710	0.00779994	34.34528133
3/15/2019	0.00011424	0.00328627	28.76686760	5/4/2019	0.00020751	0.00737670	35.54941169
3/16/2019	0.00012456	0.00354150	28.43209270	5/5/2019	0.00020015	0.00709697	35.45861120
3/17/2019	0.00012290	0.00353347	28.75164286	5/6/2019	0.00021055	0.00700840	33.28589632
3/18/2019	0.00012295	0.00355751	28.93384516	5/7/2019	0.00020585	0.00706714	34.33156655
3/19/2019	0.00014626	0.00423750	28.97231711	5/8/2019	0.00019557	0.00684411	34.99537877
3/20/2019	0.00015716	0.00456610	29.05309546	5/9/2019	0.00017815	0.00645957	36.25891127
3/21/2019	0.00020674	0.00609656	29.48865632	5/10/2019	0.00017401	0.00641100	36.84215086
3/22/2019	0.00018722	0.00549192	29.33350343	5/11/2019	0.00017627	0.00653628	37.08064848
3/23/2019	0.00018062	0.00527313	29.19437211	5/12/2019	0.00017498	0.00651257	37.21971921
3/24/2019	0.00016700	0.00490338	29.36104825	5/13/2019	0.00017019	0.00675641	39.69987300
3/25/2019	0.00017307	0.00507960	29.34955195	5/14/2019	0.00018388	0.00676951	36.81519687
3/26/2019	0.00016861	0.00496034	29.41886904	5/15/2019	0.00021694	0.00720210	33.19915031
3/27/2019	0.00017738	0.00514200	28.98836797	5/16/2019	0.00021560	0.00643915	29.86595205
3/28/2019	0.00019389	0.00565875	29.18598479	5/17/2019	0.00022740	0.00685100	30.12758451
3/29/2019	0.00021877	0.00629199	28.76049123	5/18/2019	0.00022555	0.00699062	30.99407502
3/30/2019	0.00023074	0.00666873	28.90182279	5/19/2019	0.00022323	0.00700371	31.37391404
3/31/2019	0.00025820	0.00749064	29.01137729	5/20/2019	0.00020806	0.00659096	31.67755896
4/1/2019	0.00023631	0.00692819	29.31805683	5/21/2019	0.00020720	0.00646501	31.20182588
4/2/2019	0.00020902	0.00622103	29.76262503	5/22/2019	0.00020182	0.00633429	31.38565591
4/3/2019	0.00019003	0.00585311	30.80032206	5/23/2019	0.00020554	0.00658617	32.04394845
4/4/2019	0.00017581	0.00547610	31.14710535	5/24/2019	0.00019781	0.00633317	32.01607343
4/5/2019	0.00020251	0.00616277	30.43127303	5/25/2019	0.00019497	0.00623610	31.98498570
4/6/2019	0.00018980	0.00578696	30.49002712	5/26/2019	0.00019255	0.00625304	32.47545587
4/7/2019	0.00018809	0.00560275	29.78800206	5/27/2019	0.00018738	0.00604706	32.27215422
4/8/2019	0.00017707	0.00519606	29.34522357	5/28/2019	0.00018119	0.00581374	32.08580785
4/9/2019	0.00018059	0.00533733	29.55516439	5/29/2019	0.00018361	0.00590069	32.13645810

**TABLE 1:**  
**Currency Conversion Closing Prices**

Date	BTC/XTZ	ETH/XTZ	ETH/BTC	Date	BTC/XTZ	ETH/XTZ	ETH/BTC
5/30/2019	0.00017910	0.00582350	32.51571172	7/19/2019	0.00009327	0.00443750	47.57931595
5/31/2019	0.00017610	0.00563202	31.98127634	7/20/2019	0.00009659	0.00453911	46.99345321
6/1/2019	0.00017165	0.00553902	32.26956555	7/21/2019	0.00010190	0.00478660	46.97562381
6/2/2019	0.00017271	0.00558783	32.35377271	7/22/2019	0.00010828	0.00514801	47.54141386
6/3/2019	0.00016933	0.00550255	32.49669451	7/23/2019	0.00010807	0.00502985	46.54148451
6/4/2019	0.00015698	0.00501367	31.93739123	7/24/2019	0.00010294	0.00465331	45.20585119
6/5/2019	0.00015081	0.00477636	31.67063348	7/25/2019	0.00010392	0.00468992	45.13177306
6/6/2019	0.00017003	0.00533130	31.35455165	7/26/2019	0.00010537	0.00473524	44.94058189
6/7/2019	0.00016410	0.00526043	32.05654964	7/27/2019	0.00010762	0.00491780	45.69538595
6/8/2019	0.00015841	0.00512737	32.36807195	7/28/2019	0.00010573	0.00478242	45.23348643
6/9/2019	0.00015999	0.00527693	32.98331117	7/29/2019	0.00010610	0.00478061	45.05679936
6/10/2019	0.00016249	0.00525210	32.32195378	7/30/2019	0.00012699	0.00579517	45.63661410
6/11/2019	0.00016146	0.00520791	32.25530963	7/31/2019	0.00012592	0.00580837	46.12682369
6/12/2019	0.00015591	0.00486777	31.22215408	8/1/2019	0.00013462	0.00642762	47.74652220
6/13/2019	0.00015551	0.00499668	32.13069446	8/2/2019	0.00013596	0.00656355	48.27727544
6/14/2019	0.00014148	0.00465750	32.91995153	8/3/2019	0.00013214	0.00642726	48.63917479
6/15/2019	0.00014143	0.00464649	32.85398855	8/4/2019	0.00013126	0.00646697	49.26653793
6/16/2019	0.00014342	0.00479162	33.40944209	8/5/2019	0.00012367	0.00623346	50.40410725
6/17/2019	0.00014270	0.00484782	33.97248041	8/6/2019	0.00012807	0.00650385	50.78386868
6/18/2019	0.00013544	0.00464063	34.26432749	8/7/2019	0.00011305	0.00596316	52.74954724
6/19/2019	0.00012940	0.00445385	34.41903277	8/8/2019	0.00012953	0.00701548	54.16135602
6/20/2019	0.00011861	0.00415900	35.06499816	8/9/2019	0.00012054	0.00679367	56.35868687
6/21/2019	0.00011533	0.00396731	34.39883354	8/10/2019	0.00012242	0.00672375	54.92197552
6/22/2019	0.00011494	0.00397569	34.59076217	8/11/2019	0.00011975	0.00638623	53.32768754
6/23/2019	0.00010962	0.00386577	35.26417178	8/12/2019	0.00011948	0.00643665	53.87202423
6/24/2019	0.00010535	0.00373687	35.47161910	8/13/2019	0.00011564	0.00603708	52.20559628
6/25/2019	0.00009329	0.00345771	37.06321315	8/14/2019	0.00011540	0.00621617	53.86474465
6/26/2019	0.00008374	0.00323682	38.65250186	8/15/2019	0.00011831	0.00647215	54.70318302
6/27/2019	0.00008751	0.00332540	38.00186903	8/16/2019	0.00011760	0.00657895	55.94445643
6/28/2019	0.00008140	0.00324519	39.86546927	8/17/2019	0.00011630	0.00640853	55.10119016
6/29/2019	0.00008612	0.00321815	37.36602512	8/18/2019	0.00011599	0.00616998	53.19456013
6/30/2019	0.00008636	0.00321337	37.21073271	8/19/2019	0.00011085	0.00595795	53.74981535
7/1/2019	0.00008689	0.00313151	36.04117286	8/20/2019	0.00010777	0.00590121	54.75520171
7/2/2019	0.00009350	0.00346365	37.04279835	8/21/2019	0.00011047	0.00599283	54.24608058
7/3/2019	0.00010367	0.00409106	39.46311448	8/22/2019	0.00011253	0.00595829	52.95071343
7/4/2019	0.00010789	0.00425278	39.41881063	8/23/2019	0.00011241	0.00600894	53.45370037
7/5/2019	0.00011659	0.00444444	38.11965278	8/24/2019	0.00011319	0.00601181	53.11286528
7/6/2019	0.00010885	0.00424274	38.97948183	8/25/2019	0.00011244	0.00610148	54.26311282
7/7/2019	0.00010480	0.00392542	37.45780177	8/26/2019	0.00011185	0.00613984	54.89239401
7/8/2019	0.00009930	0.00389465	39.22094174	8/27/2019	0.00011094	0.00602602	54.31687287
7/9/2019	0.00009703	0.00394975	40.70775058	8/28/2019	0.00010764	0.00603830	56.09534763
7/10/2019	0.00009707	0.00406897	41.91900000	8/29/2019	0.00010496	0.00588823	56.10075507
7/11/2019	0.00008892	0.00375884	42.27264607	8/30/2019	0.00011044	0.00627851	56.85109282
7/12/2019	0.00009140	0.00390908	42.76816997	8/31/2019	0.00010799	0.00603003	55.83962428
7/13/2019	0.00008754	0.00370122	42.27855711	9/1/2019	0.00010555	0.00600128	56.85468741
7/14/2019	0.00009135	0.00411680	45.06573513	9/2/2019	0.00010245	0.00594337	58.01379310
7/15/2019	0.00008919	0.00422908	47.41531030	9/3/2019	0.00009790	0.00579387	59.18406685
7/16/2019	0.00009062	0.00431164	47.58090266	9/4/2019	0.00009722	0.00585261	60.19938633
7/17/2019	0.00009489	0.00434949	45.83790429	9/5/2019	0.00009550	0.00579727	60.70215819
7/18/2019	0.00009145	0.00430513	47.07807742	9/6/2019	0.00009659	0.00588374	60.91609791

**TABLE 1:**  
**Currency Conversion Closing Prices**

Date	BTC/XTZ	ETH/XTZ	ETH/BTC	Date	BTC/XTZ	ETH/XTZ	ETH/BTC
9/7/2019	0.00009793	0.00577808	58.99949512	10/27/2019	0.00009162	0.00475008	51.84384498
9/8/2019	0.00010248	0.00589987	57.57212175	10/28/2019	0.00009457	0.00479205	50.67420344
9/9/2019	0.00010063	0.00574110	57.05200110	10/29/2019	0.00009322	0.00461748	49.53078701
9/10/2019	0.00010083	0.00567329	56.26553201	10/30/2019	0.00009929	0.00494926	49.84422546
9/11/2019	0.00009923	0.00565098	56.94830191	10/31/2019	0.00009680	0.00484053	50.00587052
9/12/2019	0.00009702	0.00557949	57.50817589	11/1/2019	0.00009480	0.00477220	50.34027287
9/13/2019	0.00009416	0.00538649	57.20584175	11/2/2019	0.00009282	0.00470575	50.69711303
9/14/2019	0.00009654	0.00531604	55.06379246	11/3/2019	0.00009408	0.00476281	50.62407499
9/15/2019	0.00009664	0.00526898	54.52189262	11/4/2019	0.00009475	0.00478537	50.50767332
9/16/2019	0.00009731	0.00507331	52.13733448	11/5/2019	0.00009924	0.00489771	49.35303751
9/17/2019	0.00010741	0.00527300	49.09290063	11/6/2019	0.00010896	0.00532387	48.85891748
9/18/2019	0.00010688	0.00515635	48.24376744	11/7/2019	0.00013164	0.00649005	49.30077668
9/19/2019	0.00010715	0.00497108	46.39556218	11/8/2019	0.00013288	0.00635145	47.79805657
9/20/2019	0.00010411	0.00486127	46.69406100	11/9/2019	0.00014069	0.00670162	47.63324866
9/21/2019	0.00010679	0.00496474	46.49090572	11/10/2019	0.00013583	0.00649145	47.79148195
9/22/2019	0.00010526	0.00501064	47.60288348	11/11/2019	0.00013474	0.00636153	47.21435118
9/23/2019	0.00010792	0.00520008	48.18403328	11/12/2019	0.00013272	0.00626204	47.18293727
9/24/2019	0.00010355	0.00530983	51.27934091	11/13/2019	0.00012829	0.00600234	46.78774036
9/25/2019	0.00010074	0.00500308	49.66346773	11/14/2019	0.00014010	0.00655914	46.81774194
9/26/2019	0.00010486	0.00510618	48.69531578	11/15/2019	0.00013778	0.00648128	47.04182362
9/27/2019	0.00010851	0.00512512	47.23169824	11/16/2019	0.00013566	0.00632670	46.63626943
9/28/2019	0.00010838	0.00511928	47.23560749	11/17/2019	0.00013523	0.00626621	46.33740277
9/29/2019	0.00010956	0.00520764	47.53190616	11/18/2019	0.00014803	0.00681214	46.01955029
9/30/2019	0.00010894	0.00502326	46.11035748	11/19/2019	0.00014867	0.00687479	46.24225178
10/1/2019	0.00011430	0.00537745	47.04680275	11/20/2019	0.00015074	0.00688674	45.68736483
10/2/2019	0.00011237	0.00521918	46.44480106	11/21/2019	0.00015832	0.00749412	47.33525331
10/3/2019	0.00011323	0.00533821	47.14606164	11/22/2019	0.00016720	0.00811872	48.55646503
10/4/2019	0.00011251	0.00521654	46.36386237	11/23/2019	0.00018789	0.00906010	48.21926737
10/5/2019	0.00011195	0.00517457	46.22341934	11/24/2019	0.00019013	0.00938178	49.34481551
10/6/2019	0.00010978	0.00506731	46.15832659	11/25/2019	0.00017352	0.00846532	48.78570453
10/7/2019	0.00010996	0.00500406	45.50814063				
10/8/2019	0.00010934	0.00494289	45.20810900				
10/9/2019	0.00010970	0.00487830	44.47069171				
10/10/2019	0.00010657	0.00477426	44.80053219				
10/11/2019	0.00010985	0.00500693	45.58120173				
10/12/2019	0.00010713	0.00493889	46.10164243				
10/13/2019	0.00010860	0.00496318	45.69974736				
10/14/2019	0.00011239	0.00503458	44.79402011				
10/15/2019	0.00011058	0.00500181	45.23107877				
10/16/2019	0.00010897	0.00498249	45.72200443				
10/17/2019	0.00011054	0.00503198	45.51991237				
10/18/2019	0.00011009	0.00505585	45.92333833				
10/19/2019	0.00010831	0.00500414	46.20068244				
10/20/2019	0.00010672	0.00499879	46.84145160				
10/21/2019	0.00010571	0.00498189	47.12851589				
10/22/2019	0.00010381	0.00486695	46.88450377				
10/23/2019	0.00010131	0.00468791	46.27259852				
10/24/2019	0.00010252	0.00473727	46.20762163				
10/25/2019	0.00009638	0.00459871	47.71209784				
10/26/2019	0.00008999	0.00462630	51.40663923				

Exhibit A-2

*In re Tezos Securities Litigation*  
c/o Epiq  
P.O. Box 3770  
Portland, OR 97208-3770  
U.S & Canada Toll-Free Number: (866)-977-1042  
International Number: (503) 597-7670  
Email: [info@TezosFoundationSettlement.com](mailto:info@TezosFoundationSettlement.com)  
Website: [www.TezosFoundationSettlement.com](http://www.TezosFoundationSettlement.com)

**PROOF OF CLAIM AND RELEASE**

TO BE ELIGIBLE TO RECEIVE A SHARE OF THE NET SETTLEMENT FUND IN CONNECTION WITH THE PROPOSED SETTLEMENT OF THIS ACTION, YOU MUST EITHER (A) MAIL A COMPLETED AND SIGNED PROOF OF CLAIM AND RELEASE FORM (“CLAIM FORM”) TO THE ABOVE-ADDRESS VIA PREPAID, FIRST CLASS MAIL, POSTMARKED BEFORE \_\_\_\_\_, OR (B) COMPLETE AND SUBMIT THE PROOF OF CLAIM THROUGH THE SETTLEMENT WEBSITE, [WWW.TEZOSFOUNDATIONSETTLEMENT.COM](http://WWW.TEZOSFOUNDATIONSETTLEMENT.COM), BEFORE \_\_\_\_\_.

FAILURE TO MAIL OR SUBMIT YOUR CLAIM FORM BY THE DATE SPECIFIED WILL SUBJECT YOUR CLAIM TO REJECTION AND MAY PRECLUDE YOU FROM BEING ELIGIBLE TO RECEIVE ANY MONEY IN CONNECTION WITH THE PROPOSED SETTLEMENT.

**DO NOT MAIL OR DELIVER YOUR CLAIM FORM TO THE COURT, THE PARTIES TO THE ACTION, OR THEIR COUNSEL. SUBMIT YOUR CLAIM FORM ONLY TO THE CLAIMS ADMINISTRATOR AT THE ADDRESS SET FORTH ABOVE OR THROUGH THE WEBSITE AT [WWW.TEZOSFOUNDATIONSETTLEMENT.COM](http://WWW.TEZOSFOUNDATIONSETTLEMENT.COM).**

**PART I – GENERAL INSTRUCTIONS**

1. It is important that you completely read and understand the Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Fairness Hearing; and (III) Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses (the “Notice”) that accompanies this Claim Form, including the Plan of Allocation of the Net Settlement Fund set forth in the Notice. The Notice describes the proposed Settlement, how Settlement Class Members are affected by the Settlement, and the manner in which the Net Settlement Fund will be distributed if the Settlement and Plan of Allocation are approved by the Court. The Notice also contains the definitions of many of the defined terms (which are indicated by initial capital letters) used in this Claim Form. By signing and submitting this Claim Form, you will be certifying that you have read and that you understand the Notice, including the terms of the releases described therein and provided for herein.

2. By submitting this Claim Form, you will be making a request to share in the proceeds of the Settlement described in the Notice. **IF YOU ARE NOT A SETTLEMENT CLASS MEMBER** (see the definition of the Settlement Class on page \_\_\_\_ of the Notice, which sets forth who is included in and who is excluded from the Settlement Class), **OR IF YOU, OR SOMEONE ACTING ON YOUR BEHALF, SUBMITTED A REQUEST FOR EXCLUSION FROM THE SETTLEMENT CLASS, DO NOT SUBMIT A CLAIM FORM. YOU MAY NOT, DIRECTLY OR INDIRECTLY, PARTICIPATE IN THE SETTLEMENT IF YOU ARE NOT A SETTLEMENT CLASS MEMBER.** **THUS, IF YOU ARE EXCLUDED FROM THE SETTLEMENT CLASS, ANY CLAIM FORM THAT YOU SUBMIT, OR THAT MAY BE SUBMITTED ON YOUR BEHALF, WILL NOT BE ACCEPTED.**

3. **Submission of this Claim Form does not guarantee that you will share in the proceeds of the Settlement. The distribution of the Net Settlement Fund will be governed by the Plan of Allocation set forth in the Notice, if it is approved by the Court, or by such other plan of allocation as the Court approves.**

4. Use Part III of this form to set forth your transactions related to your July 2017 Tezos Contributions. Provide all of the requested information with respect to your holdings, purchases, acquisitions, and sales of XTZ, whether such

## Exhibit A-2

transactions resulted in a profit or a loss. **Failure to report all transaction and holding information during the requested time period may result in the rejection of your claim.**

5. You are required to submit genuine and sufficient documentation for all of your transactions in and holdings of XTZ set forth in the Schedule of Transactions in Part III of this Claim Form. The Parties and the Claims Administrator do not independently have information about your interests in XTZ, other than what is available through the blockchain. **IF SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN COPIES OR EQUIVALENT DOCUMENTS FROM YOUR BROKER. FAILURE TO SUPPLY THIS DOCUMENTATION MAY RESULT IN THE REJECTION OF YOUR CLAIM. DO NOT SEND ORIGINAL DOCUMENTS. Please keep a copy of all documents that you send to the Claims Administrator. Also, please do not highlight any portion of the Claim Form or any supporting documents.**

6. Separate Claim Forms should be submitted for each separate legal entity (*e.g.*, a claim from joint owners should not include separate transactions of just one of the joint owners). Conversely, a single Claim Form should be submitted on behalf of one legal entity including all transactions made by that entity on one Claim Form, no matter how many separate accounts or transactions that entity has.

7. Agents, executors, administrators, guardians, and trustees must complete and sign the Claim Form on behalf of persons represented by them, and they must:

- (a) expressly state the capacity in which they are acting;
- (b) identify the name, account number, Social Security Number (or taxpayer identification number), address and telephone number of the beneficial owner of (or other person or entity on whose behalf they are acting with respect to) the XTZ; and
- (c) furnish herewith evidence of their authority to bind to the Claim Form the person or entity on whose behalf they are acting.

8. By submitting a signed Claim Form, you will be swearing that you:

- (a) own(ed) the XTZ you have listed in the Claim Form; or
- (b) are expressly authorized to act on behalf of the owner thereof.

9. By submitting a signed Claim Form, you will be swearing to the truth of the statements contained therein and the genuineness of the documents attached thereto, subject to penalties of perjury under the laws of the United States of America. The making of false statements, or the submission of forged or fraudulent documentation, will result in the rejection of your claim and may subject you to civil liability or criminal prosecution.

10. If the Court approves the Settlement, payments to eligible Authorized Claimants pursuant to the Plan of Allocation (or such other plan of allocation as the Court approves) will be made after any appeals are resolved, and after the completion of all claims processing. The claims process will take substantial time to complete fully and fairly. Please be patient.

11. **PLEASE NOTE:** As set forth in the Plan of Allocation, each Authorized Claimant shall receive his, her or its *pro rata* share of the Net Settlement Fund. If the prorated payment to any Authorized Claimant calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

12. If you have questions concerning the Claim Form, or need additional copies of the Claim Form or the Notice, you may contact the Claims Administrator, Epiq, at the above address, by email at [info@TezosFoundationSettlement.com](mailto:info@TezosFoundationSettlement.com), by toll-free phone from the U.S. and Canada at (866) 977-1042, by toll-free phone from outside of the U.S. and Canada at (503) 597-7670, or you can visit the Settlement website, [www.TezosFoundationSettlement.com](http://www.TezosFoundationSettlement.com), where copies of the Claim Form and Notice are available for downloading.

Corporation

## In Re Tezos Payment Election Form

### A. Payment by Check

Complete this section if you want to receive any potential payment via Check.

<b>Name and Address to Appear on Checks:</b>	Name			
	Street			
	City	State	Zip	Country

### B. Payment by Wire Transfer

Complete this section if you want to receive any potential payment via Wire transfer.

<b>Bank Name to Which Wires Are to be Sent:</b>	
<b>Bank Telephone Number:</b>	(    )    -
<b>Bank ABA Wire Transfer Number:</b>	
<b>Account Name:</b>	
<b>Account Number:</b>	
<b>Beneficiary Address:</b>	
<b>IBAN:</b>	
<b>SWIFT Code:</b>	
<b>For Further Credit (if any):</b>	
<b>Intermediary Bank (if any):</b>	
<b>Intermediary Bank ABA Wire Transfer Number or SWIFT</b>	

### C. Payment by PayPal

Complete this section if you want to receive any potential payment via PayPal transfer.

<b>PayPal Customer Information:</b>	Recipient ID (Email Address)
-------------------------------------	------------------------------

Complete this Part III, if and only if, you contributed digital currencies to what the defendants describe as a fundraiser and what the plaintiffs describe as an initial coin offering or ICO conducted by the Tezos Foundation in July 2017. During the Claims Process, the Claims Administrator may e-mail you with instructions to confirm your ownership of the BTC or ETH address which made the July 2017 Tezos Contribution. If you no longer have ownership or control of this address, please provide documentation sufficient to trace the purchase of the BTC or ETH that was used to make your July 2017 Tezos Contribution back to a fiat account owned or controlled by you, along with evidence of such ownership or control.

By submitting this Proof of Claim and Release, you consent to the Claims Administrator sharing the information provided pursuant to this Part III with the Tezos Foundation for purposes of validating your claim. You also consent to the Tezos Foundation sharing information that it may have concerning your contribution and/or XTZ account with the Claims Administrator.

**PLEASE SET FORTH YOUR JULY 2017 TEZOS CONTRIBUTIONS IN THE TABLE BELOW.**

[illegible][illegible][illegible]

--	--	--	--	--	--	--



**INDICATE HOW MANY OF THE XTZ YOU WERE ALLOCATED AS PART OF YOUR JULY 2017 TEZOS CONTRIBUTIONS ARE IN THE FOLLOWING CATEGORIES:**

[illegible][illegible]

[illegible]

**STEP 3A.**

[illegible]

### STEP 3B.

**PLEASE PROVIDE DOCUMENTATION SUFFICIENT TO SHOW EVIDENCE THAT YOU HELD THESE XTZ ON NOVEMBER 25, 2019 AT 6:32 A.M. PST.**

Exhibit A-2

**STEP 3C.**

**IMPORTANT:**

**PLEASE READ THE FOLLOWING CAREFULLY. THIS DECLARATION AFFECTS YOUR LEGAL RIGHTS. IN ORDER TO CLAIM A RECOGNIZED LOSS IN THIS CATEGORY, YOU MUST ATTEST TO THE FOLLOWING:**

I, \_\_\_\_\_ (“Claimant”), hereby declare:

- (1) that Claimant has not claimed, activated, used, delegated, sold or transferred (“accessed”), and does not intend to access, the XTZ at issue, either due to a lost private key or password or due to an objection to providing “Know Your Customer” information to the Tezos Foundation, and that no other entity has or has ever had access to their private key or password;
- (2) Claimant agrees
  - a. to destroy all copies of the private key for the XTZ at issue, and
  - b. to never access the XTZ at issue;
- (3) Claimant acknowledges that he, she or it forfeits any rights to the XTZ at issue and understands that the Tezos community may vote to destroy such tokens;
- (4) Claimant agrees that, if the Claimant subsequently accesses the XTZ at issue in violation of Claimant’s agreement not to do so, that the ***Claimant shall be liable to the Tezos Foundation for damages*** in the amount of the USD value of the XTZ at the time of such access, plus any amounts expended by the Tezos Foundation in seeking to enforce this provision, including without limitation attorneys’ fees, court costs, and other expenses, all plus interest, to the maximum extent permitted by law; and
- (5) ***Claimant consents to the jurisdiction of the courts of California (for U.S. residents) or Switzerland (for non-U.S. residents) with respect to any dispute arising out of or relating to this declaration.***

I declare under penalty of perjury under the laws of the United States of America, Switzerland, and the country in which this declaration is made that the foregoing is true and correct.

Executed on \_\_\_\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Country of Execution

Note that the Tezos Foundation will monitor the accounts of Claimants who claim under this provision, and, in the event of a violation of this provision, has and reserves all rights to pursue legal claims against the Claimant. To facilitate that monitoring, a copy of this Proof of Claim and Release will be provided to the Tezos Foundation.

Exhibit A-2

**PART IV – RELEASE OF CLAIMS AND SIGNATURE**

**YOU MUST ALSO READ THE RELEASE AND CERTIFICATION BELOW AND SIGN ON PAGE [ ] OF THIS CLAIM FORM.**

I (we) hereby acknowledge that, pursuant to the terms set forth in the Stipulation, without further action by anyone, upon the Effective Date of the Settlement, I (we), on behalf of myself (ourselves), and my (our) heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every one of the Released Claims (including, without limitation, any Unknown Claims) against the Defendants and the other Released Defendants, and shall forever be barred and enjoined from prosecuting any or all of the Released Claims against any of the Released Defendants.

**CERTIFICATION**

By signing and submitting this Claim Form, the claimant(s) or the person(s) who represent(s) the claimant(s) agree(s) to the release above and certifies (certify) as follows:

1. that I (we) have read and understand the contents of the Notice and this Claim Form, including the releases provided for in the Settlement and the terms of the Plan of Allocation;
2. that the claimant(s) is a (are) Settlement Class Member(s), as defined in the Notice, and is (are) not excluded by definition from the Settlement Class as set forth in the Notice;
3. that the claimant has **not** submitted a request for exclusion from the Settlement Class;
4. that I (we) own(ed) the XTZ identified in the Claim Form and have not assigned the claim against any of the Defendants or any of the other Defendants' Releasees to another, or that, in signing and submitting this Claim Form, I (we) have the authority to act on behalf of the owner(s) thereof;
5. that the claimant(s) has (have) not submitted any other claim covering the same XTZ allocations and knows (know) of no other person having done so on the claimant's (claimants') behalf;
6. that the claimant(s) submit(s) to the jurisdiction of the Court with respect to claimant's claim and for purposes of enforcing the releases set forth herein;
7. that I (we) agree to furnish such additional information with respect to this Claim Form as Class Counsel, the Claims Administrator or the Court may require;
8. that the claimant(s) waive(s) the right to trial by jury, to the extent it exists, and agree(s) to the Court's summary disposition of the determination of the validity or amount of the claim made by this Claim Form;
9. that I (we) acknowledge that the claimant(s) will be bound by and subject to the terms of any judgment(s) that may be entered in the Action; and
10. that the claimant(s) is (are) NOT subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code because (a) the claimant(s) is (are) exempt from backup withholding or (b) the claimant(s) has (have) not been notified by the IRS that he/she/it is subject to backup withholding as a result of a failure to report all interest or dividends or (c) the IRS has notified the claimant(s) that he/she/it is no longer subject to backup withholding. **If the IRS has notified the**

## Exhibit A-2

**claimant(s) that he/she/it is subject to backup withholding, please strike out the language in the preceding sentence indicating that the claim is not subject to backup withholding in the certification above.**

UNDER THE PENALTIES OF PERJURY UNDER THE LAWS OF THE UNITED STATES OF AMERICA, I (WE) CERTIFY THAT ALL OF THE INFORMATION PROVIDED BY ME (US) ON THIS CLAIM FORM IS TRUE, CORRECT, AND COMPLETE, AND THAT THE DOCUMENTS SUBMITTED HERewith ARE TRUE AND CORRECT COPIES OF WHAT THEY PURPORT TO BE.

Signature of Claimant  Date

Print Claimant Name Here

Signature of Joint Claimant (if any)  Date

Print Name of Joint Claimant

***If the claimant is other than an individual, or is not the person completing this form, the following must also be provided:***

Signature of person signing on behalf of Claimant  Date

Print name of person signing on behalf of Claimant

Capacity of person signing on behalf of claimant, if other than an individual, *e.g.*, executor, president, trustee, custodian, etc. (Must provide evidence of authority to act on behalf of claimant.)

A Claim Form received by the Claims Administrator shall be deemed to have been submitted when posted, if a postmark date on or before \_\_\_\_\_, 2020 is indicated on the envelope and it is mailed First Class, and addressed in accordance with the above instructions. In all other cases, a Claim Form shall be deemed to have been submitted when actually received by the Claims Administrator.

You should be aware that it will take a significant amount of time to fully process all of the Claim Forms. Please be patient and notify the Claims Administrator of any change of address.

Exhibit A-3

From: In re Tezos Securities Litigation Claims Administrator  
<info@TezosFoundationSettlement.com>  
Subject: Proposed Tezos Foundation Class Action Settlement – Legal Notice

Message:

This message has been authorized by Order of the United States District Court, Northern District of California in the matter *In re Tezos Securities Litigation*, No. 3:17-cv-06779-RS.

**Please read this notice carefully.**

**If you contributed money or cryptocurrency to the Tezos Foundation in July 2017 you may be entitled to share in a \$25 million settlement.**

**Your rights will be affected by a class action lawsuit pending in the United States District Court, Northern District of California.**

Pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Northern District of California, the matter *In re Tezos Securities Litigation*, No. 3:17-cv-06779-RS (the “Action”) has been certified as a class action on behalf of a Settlement Class, except for certain persons and entities who are excluded from the Settlement Class by definition as set forth in the full Notice of Pendency of Class Action and Proposed Settlement; Settlement Fairness Hearing; and Motion for Award of Attorneys’ Fees and Reimbursement of Litigation Expenses (available at <https://www.TezosFoundationSettlement.com/notice>) (the “Notice”).

Lead Plaintiff has reached a proposed settlement of the Action for \$25,000,000 in cash (the “Settlement”) that, if approved, will resolve all claims in the Action.

A hearing will be held on [DATE] at [TIME], before the Honorable Richard G. Seeborg at the United States District Court, Northern District of California, San Francisco Courthouse, Courtroom 3, 17th Floor, 450 Golden Gate Avenue, San Francisco, CA 94102, to determine (i) whether the proposed Settlement should be approved as fair, reasonable, and adequate; (ii) whether the Action should be dismissed with prejudice against Defendants, and the Releases specified and described in the Stipulation and Agreement of Settlement dated March 16, 2020 should be granted; (iii) whether the proposed Plan of Allocation should be approved as fair and reasonable; and (iv) whether Federal and State Lead Counsel’s application for an award of attorneys’ fees and expenses should be approved.

**If you are a member of the Settlement Class, your rights will be affected by the pending Action and the Settlement, and you may be entitled to share in the Settlement Fund.** You should visit <https://www.TezosFoundationSettlement.com/> to review the full Notice and download or fill out the Proof of Claim and Release Form (“Claim Form”). You may also obtain copies of the Notice and Claim Form by contacting the Claims Administrator at *In re Tezos Securities Litigation*, c/o Epiq, PO Box 3770, Portland OR 97208, 1-866-977-1042 or 1-503-597-7670.

Exhibit A-3

**IMPORTANT DEADLINES**

[DATE]	<p><b>To receive a payment under the Proposed Settlement</b></p> <p>If you are a Settlement Class Member, you must submit a Claim Form through <a href="https://www.TezosFoundationSettlement.com">https://www.TezosFoundationSettlement.com</a> or through the mail with a postmark no later than [DATE]. If you are a Settlement Class Member and do not submit a proper Claim Form, you will not be eligible to share in the distribution of the net proceeds of the Settlement, but you will nevertheless be bound by any judgments or orders entered by the Court in the Action.</p>
[DATE]	<p><b>To exclude yourself from the Proposed Settlement</b></p> <p>If you are a member of the Settlement Class, you may exclude yourself by submitting a request for exclusion such that it is received no later than [DATE] in accordance with the instructions set forth in the Notice. If you properly exclude yourself from the Settlement Class, you will not be bound by any judgments or orders entered by the Court in the Action and will not be eligible to share in the proceeds of the Settlement.</p>
[DATE]	<p><b>To object to the Proposed Settlement, the Plan of Allocation, or Federal and State Lead Counsel's Motion for Attorneys' Fees and Expenses</b></p> <p>Any objections to the Proposed Settlement, the proposed Plan of Allocation, or to Federal and State Lead Counsel's Motion for Attorneys' Fees and Expenses must be filed with the Court and delivered to Federal and State Lead Counsel and Defendants' Counsel such that they are <i>received</i> no later than [DATE] in accordance with the instructions set forth in the notice.</p>

**Please do not contact the Court, the Clerk's Office, the Tezos Foundation, or its counsel regarding this notice. All questions about the notice, the Proposed Settlement, or your eligibility to participate in the Settlement should be directed to Federal Lead Counsel or to the Claims Administrator.**

Inquiries, other than requests for the Notice and Claim Form, should be made to Federal Lead Counsel:

**Block & Leviton LLP**  
 Jacob A. Walker  
 260 Franklin Street, Suite 1860  
 Boston, MA 02110  
 (617) 398-5600  
[tezos-settlement@blockesq.com](mailto:tezos-settlement@blockesq.com)

Exhibit A-3

The Notice, Claim Form, and additional information can be found at <https://www.TezosFoundationSettlement.com/> or by contacting the Claims Administrator at:

*In re Tezos Securities Litigation*  
c/o Epiq  
P.O. Box 3770  
Portland, OR 97208-3770  
U.S & Canada Toll-Free Number: (866)-977-1042  
International Number: (503) 597-7670  
Email: [info@TezosFoundationSettlement.com](mailto:info@TezosFoundationSettlement.com)  
Website: [www.TezosFoundationSettlement.com](http://www.TezosFoundationSettlement.com)

*By Order of the Court*

Exhibit B

**UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA**

IN RE TEZOS SECURITIES LITIGATION

Case No. 3:17-cv-06779-RS

**[PROPOSED] JUDGMENT**

## Exhibit B

1 This matter came before the Court on the application for final approval of the Settlement  
2 set forth in the Stipulation of Settlement dated \_\_\_\_\_ 2020 (the “Stipulation”). Full and adequate  
3 notice having been given to the Class as required in the Court’s Order Preliminarily Approving  
4 Settlement and Providing for Notice (“Order”) dated \_\_\_\_\_, 2020, and the Court having  
5 considered all papers filed and proceedings had herein and otherwise being fully informed in the  
6 premises and good cause appearing therefore, IT IS HEREBY ORDERED THAT:  
7

8 1. This Judgment incorporates by reference the definitions in the Stipulation, and all  
9 terms used herein shall have the same meanings as set forth in the Stipulation, unless otherwise set  
10 forth herein.

11 2. For the purposes of settlement only, this Court has jurisdiction over the subject  
12 matter of the Federal Litigation and over all parties to the Federal Litigation, including all  
13 Settlement Class Members.  
14

15 3. The Court finds that the distribution of the Notice, Proof of Claim and Release, and  
16 Summary Notice complied with the terms of the Stipulation and the Order, and provided the best  
17 notice practicable under the circumstances of those proceedings and of the matters set forth therein,  
18 including the proposed settlement set forth in the Stipulation, to all persons entitled to such notice,  
19 and said notice fully satisfied the requirements of the Federal Rule of Civil Procedure 23; Section  
20 27 of the Securities Act of 1933, 15 U.S.C. § 77z-1(a)(7) as amended by the Private Securities  
21 Litigation Reform Act; the United States Constitution (including the Due Process Clause); and any  
22 other applicable laws and rules.  
23

24 4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court hereby  
25 affirms its determination in the Order and finally certifies for purposes of settlement only a  
26 settlement class defined as: “all persons and entities who, directly or through an intermediary,  
27

## Exhibit B

1 contributed bitcoin and/or ether to what the defendants describe as a fundraiser and what the  
 2 plaintiffs describe as an initial coin offering conducted by the Foundation between July 1, 2017  
 3 and July 13, 2017, inclusive. Excluded from the Settlement Class are: (i) Defendants; (ii) members  
 4 of the immediate family of Arthur Breitman, Kathleen Breitman, Johann Gevers, or Timothy  
 5 Draper; (iii) any person who was an officer or director of the Foundation, DLS, Draper Associates  
 6 V Crypto LLC (“Draper Associates”), or Bitcoin Suisse AG (“BTCS”) during the Fundraiser and  
 7 any members of their immediate families; (iv) any parent, subsidiary, or affiliate of the Foundation,  
 8 DLS, Draper Associates, or BTCS; (v) any firm, trust, corporation, or other entity in which any  
 9 Defendant or any other excluded person or entity had a controlling interest during the Fundraiser;  
 10 and (vi) the legal representatives, agents, affiliates, heirs, successors-in-interest, or assigns of any  
 11 such excluded persons or entities.”  
 12

13  
 14 5. Also excluded from the Settlement Class are those persons who timely and validly  
 15 request exclusion.

16 6. In light of the benefits to the Settlement Class Members, the complexity, expense,  
 17 and possible duration of further litigation against Defendants, the risks of establishing liability and  
 18 damages, the risks and costs of continued litigation, and the other reasons set forth in the  
 19 Stipulation, the Court hereby approves the Settlement set forth in the Stipulation pursuant to  
 20 Federal Rule of Civil Procedure 23 and finds that:  
 21

22 (a) the Stipulation and the Settlement contained therein, are, in all respects, fair,  
 23 reasonable, and adequate and in the best interest of the Settlement Class Members;

24 (b) there was no collusion between or among the parties in reaching the  
 25 agreement set forth in the Stipulation;

26 (c) the Stipulation was the product of informed, arm’s-length negotiations  
 27

Exhibit B

1 among competent, able counsel and with the assistance of the Honorable Layn Phillips (Ret.) of  
2 Phillips ADR Enterprises, P.C.; and

3 (d) the record is sufficiently developed and complete to have enabled the  
4 Settling Parties to have adequately evaluated and considered their positions.  
5

6 Accordingly, the Court authorizes and directs implementation and performance of all the  
7 terms and provisions of the Stipulation, as well as the terms and provisions hereof.

8 7. Except as to any individual claim of those persons (identified in Exhibit 1 attached  
9 hereto) who have validly and timely requested exclusion from the Settlement Class, the Federal  
10 Litigation and all claims contained therein, including the Released Claims, are dismissed with  
11 prejudice as to all Settling Parties and their Related Parties (as defined in the Stipulation). The  
12 Settling Parties are to bear their own fees and costs except as otherwise provided in the Stipulation  
13 or in any separate order with respect to the application for attorneys' fees or expenses, and notice  
14 and administration expenses, pursuant to the Stipulation.  
15

16 8. The Releases set forth in paragraphs 5.1-5.3 of the Stipulation, together with the  
17 definitions contained in paragraph 1.23 of the Stipulation relating thereto, are expressly  
18 incorporated herein in all respects. The Releases are effective as of the Effective Date.  
19 Accordingly, this Court orders that:  
20

- 21 a) Without further action by anyone, and subject to paragraph 9 below, upon the  
22 Effective Date of the Settlement, Releasing Plaintiffs and Settlement Class  
23 Members, on behalf of themselves, and their respective heirs, executors,  
24 administrators, predecessors, successors, and assigns in their capacities as such,  
25 shall be deemed to have, and by operation of law and of this Judgment shall have,  
26 fully, finally, and forever compromised, settled, released, resolved, relinquished,  
27

## Exhibit B

1 waived, and discharged each and every Released Claim (including Unknown  
 2 Claims) against the Released Defendants, their Related Parties, and their respective  
 3 counsel, and shall forever be barred and enjoined from commencing, instituting,  
 4 prosecuting or continuing to prosecute any action or other proceeding in any court  
 5 of law or equity, arbitration tribunal, or administrative forum, asserting Released  
 6 Claims against any of the Released Defendants, their Related Parties, and their  
 7 respective counsel.  
 8

9 b) Without further action by anyone, and subject to paragraph 7 below, upon the  
 10 Effective Date of the Settlement, Defendants, on behalf of themselves, and their  
 11 respective heirs, executors, administrators, predecessors, successors, and assigns in  
 12 their capacities as such, shall be deemed to have, and by operation of law and of  
 13 this Judgment shall have, fully, finally, and forever compromised, settled, released,  
 14 resolved, relinquished, waived, and discharged each and every Released  
 15 Defendants' Claim against Releasing Plaintiffs and Settlement Class Members, and  
 16 shall forever be enjoined from prosecuting any or all of the Released Defendants'  
 17 Claims against any of the Releasing Plaintiffs and Settlement Class Members. This  
 18 Release shall not apply to any person or entity listed on Exhibit 1 hereto.  
 19

20 9. Notwithstanding paragraphs 8(a) – (b) above, nothing in this Judgment shall bar  
 21 any action by any of the Settling Parties and their Related Parties to enforce or effectuate the terms  
 22 of the Stipulation or this Judgment.  
 23

24 10. As set forth in the Stipulation, State Plaintiff and State Lead Counsel shall notify  
 25 the State Court within two (2) business days of entry of Judgment.  
 26

27 11. Each Settlement Class Member, whether or not such Settlement Class Member

## Exhibit B

1 executes and delivers a Proof of Claim and Release, is bound by this Judgment, including, without  
2 limitation, the release of claims as set forth in the Stipulation.

3 12. All persons and entities whose names appear on Exhibit 1 hereto are excluded from  
4 the Settlement Class, are not bound by this Judgment, and may not make any claim with respect  
5 to or receive any benefit from the Settlement.  
6

7 13. This Settlement resolves claims which are contested and shall not be deemed an  
8 admission by any Settling Party as to the merits of any claim or defense. Neither the Stipulation  
9 nor the Settlement contained therein, nor any act performed or document executed pursuant to or  
10 in furtherance of the Stipulation or the Settlement: (a) is or may be deemed to be or may be used  
11 as an admission of, or evidence of, the validity of any Released Claim, the truth of any of the  
12 allegations in the Litigations, or of any wrongdoing, fault, or liability of the Defendants or their  
13 respective Related Parties, or that Federal Lead Plaintiff or State Plaintiff or any Settlement Class  
14 Members have suffered any damages, harm, or loss; (b) is or may be deemed to be or may be used  
15 as an admission of, or evidence of, the appropriateness of treating the Litigations as a class action  
16 for any other purpose than the Settlement; or (c) is or may be deemed to be or may be used as an  
17 admission of, or evidence of, any fault or omission of any of the Defendants or their respective  
18 Related Parties in any civil, criminal, or administrative proceeding in any court, administrative  
19 agency, or other tribunal. The Defendants and/or their respective Related Parties may file the  
20 Stipulation and/or this Judgment in any other action that may be brought against them in order to  
21 support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release,  
22 good faith settlement, judgment bar or reduction, or any theory of claim preclusion or issue  
23 preclusion or similar defense or counterclaim.  
24  
25

26 14. Any Plan of Allocation submitted by Federal or State Lead Counsel or any order  
27

## Exhibit B

1 entered regarding an attorneys' fee and expense application shall in no way disturb or affect this  
 2 Judgment and shall be considered separate from this Judgment. Defendants and their Related  
 3 Parties shall have no responsibility, interest in, or liability whatsoever with respect to: (i) any act,  
 4 omission, or determination by Federal Lead Counsel or State Lead Counsel, the Escrow Agent, or  
 5 the Claims Administrator, or any of their respective designees or agents, in connection with the  
 6 administration of the settlement or otherwise; (ii) the management, investment, or distribution of  
 7 the Settlement Fund; (iii) the Plan of Allocation; (iv) the determination, administration, or  
 8 calculation of claims to be paid from the Settlement Fund; or (v) the payment or withholding of  
 9 Taxes or Tax Expenses, or any expenses or losses incurred in connection therewith. No Person  
 10 shall have any claim of any kind against Defendants or their Related Parties with respect to the  
 11 matters set forth in ¶¶6.1-6.9 of the Stipulation; and the Settlement Class Members, Federal  
 12 Plaintiffs, State Plaintiff, and Federal and State Lead Counsel release Defendants and their Related  
 13 Parties from any and all liability and claims arising from or with respect to the administration,  
 14 investment or distribution of the Settlement Fund.

15  
 16  
 17 15. Without affecting the finality of this Judgment in any way, this Court hereby retains  
 18 continuing jurisdiction over: (a) implementation of this Settlement and any award or distribution  
 19 of the Settlement Fund, including interest earned thereon; (b) disposition of the Settlement Fund;  
 20 (c) hearing and determining applications for attorneys' fees, expenses, and interest in the  
 21 Litigations; and (d) the Settling Parties and Settlement Class Members for the purpose of  
 22 interpreting, construing, enforcing, and administering the terms, conditions, and obligations under  
 23 the Stipulation of Settlement, and matters relating to the Settlement.

24  
 25 16. The Court finds that during the course of the Litigations, the Settling Parties and  
 26 their respective counsel at all times complied with the requirements of Federal Rule of Civil  
 27

Exhibit B

Procedure 11.

17. In the event that the Effective Date does not occur, this Judgment shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated and, in such event, all orders entered and releases delivered in connection herewith shall be null and void to the extent provided by and in accordance with the Stipulation.

18. Without further order of the Court, the Settling Parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

19. Nothing herein shall release or alter the rights, if any, under the terms of any bylaws or other written agreements: (i) between the DLS Defendants, on the one hand, and the Tezos Foundation, on the other hand, (ii) between the Draper Defendants, on the one hand, and the Tezos Foundation, on the other hand, or (iii) between or among any Related Parties.

20. The provisions of this Judgment constitute a full and complete adjudication of the matters considered and adjudged herein, and the Court directs immediate entry of this Judgment by the Clerk of the Court.

Exhibit B

1 IT IS SO ORDERED:

2  
3 DATED: \_\_\_\_\_

4 The Honorable Richard G. Seeborg  
5 United States District Judge  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

[PROPOSED] JUDGMENT